DOCUMENT RESUME

ED 213 926 CE 031 637

TITLE Consumer Education for Families with Limited Incomes. Revised.

INSTITUTION Texas Education Agency, Austin. Dept. of Occupational Education and Technology.; Texas Tech Univ., Lubbock. Home Economics Instructional Materials Center.

PUB DATE 80

NOTE 762p.

AVAILABLE FROM Home Economics Instructional Materials Center, Texas Tech University, P.O. Box 4067, Lubbock, TX 79409 ($20.00).

LANGUAGE English; Spanish

EDRS PRICE MF04 Plus Postage. PC Not Available from EDRS.

DESCRIPTORS Adult Basic Education; Banking; Behavioral Objectives; Bilingual Education; *Consumer Economics; *Consumer Education; Consumer Protection; Credit (Finance); Decision Making; *Economically Disadvantaged; Family Income; Family Problems; Guidelines; Housing; Individual Characteristics; Individual Needs; Instructional Materials; Insurance; Job Search Methods; Learning Activities; *Low Income; Low Income Groups; Material Development; Money Management; Poverty; *Program Development; Program Evaluation; *Spanish Speaking; Teacher Role

ABSTRACT

Designed as an aid for those teaching disadvantaged adults, this guide for consumer education for families with limited incomes consists of an overview for preparing teachers to teach consumer education to disadvantaged adults as well as English and Spanish instructional materials in 10 areas of consumer education. In the overview of teaching disadvantaged adults, the following topics are covered: characteristics and limitations of the poor, teaching bilingual adults, characteristics affecting learning, program planning, procedural considerations, teaching methods successful with disadvantaged adults, guidelines for person-to-person instruction, problem areas, evaluation techniques, amd making and using visual aids and handouts. Provided next are 10 units of instructional materials (presented first in English and then in Spanish) in various areas of consumer economics, including decision making, planning, buying, banking, borrowing, saving, insuring, sharing, earning, and protecting. Intended for use with groups having fourth to sixth grade education levels, each lesson contains behavioral objectives, vocabulary words, suggestions for content and learning experiences, suggestions for application of materials, and key ideas. Following each lesson are directions for developing materials, suggestions for simulating activities, and references to suggested visuals and teaching-learning materials. (MN)

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CONSUMER EDUCATION
FOR
FAMILIES WITH LIMITED INCOMES

CE 031 637

Materials Developed and Distributed by

Home Economics Instructional Materials Center
Texas Tech University
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Directed by

Texas Tech University
College of Home Economics
Department of
Home Economics Education
Lubbock, Texas

In cooperation with

Texas Education Agency
Department of Occupational
Education and Technology
Homemaking Education
Austin, Texas

First Printing
February, 1971

Revised, 1980

DESCRIPTION OF
HOME ECONOMICS INSTRUCTIONAL MATERIALS CENTER

The Home Economics Instructional Materials Center was established September 1, 1967, as a cooperative project between the Division of Homemaking Education, Texas Education Agency, and the College of Home Economics, Home Economics Education Department, Texas Tech University at Lubbock, Texas. The Center is one of five curriculum centers in four locations which make up the Texas Instructional Materials System.

The instructional materials developed at the Center are intended to assist teachers and coordinators in promoting and teaching home economics in the following program areas:

Homemaking Education (Useful)
Home Economics Cooperative Education
Home Economics Pre-Employment Laboratory Education
Home Economics Vocational Education for the Handicapped

The homemaking education staff at Texas Education Agency, home economics teachers across the state, teacher educators, subject matter specialists, and advisory councils of business and industry representatives participate in the development of each publication. The Center staff coordinates the development of the instructional materials.

Special acknowledgement is given to the following persons for their roles in the continuing operation of the Center:

> Mrs. Elizabeth Smith, Director, Division of Homemaking Education, Texas Education Agency, who conceived the original plan for establishing the Center and continues to determine ways in which the Center can meet the needs of Homemaking Education in Texas. Mrs. Pat Lindley, Coordinator, Vocational Curriculum, Texas Education Agency, who coordinates the activities of the five instructional materials centers in Texas.
>
> Dr. Donald Longworth, Dean, College of Home Economics, and Dr. Camille G. Bell, Chairperson, Department of Home Economics Education, Texas Tech University, who serve the Center in an advisory capacity.

Linda Glosson, Director
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ACKNOWLEDGEMENTS

This guide in Consumer Education for Families with Limited Incomes, prepared by the Home Economics Instructional Materials Center at Texas Tech University, is the result of the combined efforts and ideas of many people, namely:

Miss Barbara Clawson, Director of the Center during the writing of the first edition of the materials.

Mrs. Thelma Fortenberry, Dallas, Texas, and Mrs. Barbara Truitt, Amarillo, Texas, Home Economics Teachers, who spent a month at the Center helping with the writing of the original Consumer Education instructional materials.

Mr. Howard Welborn, and Mrs. Virginia Thompson, Lubbock, Texas, who drew the illustrations for the first edition. Mrs. Thompson also designed the cover.

Mrs. Gail House, Part-time Instruction, Family Management, Housing, and Consumer Science Department, Texas Tech University, Lubbock, Texas, who served as subject matter specialist during the development of the revised Consumer Education instructional materials.

Miss Laura Johnson, who drew illustrations for the revised edition.

Mrs. Allison Seidel, who did technical editing of the revised edition.

Mrs. Susan Cooper, Graduate Research Assistant, Texas Tech University, Lubbock, Texas, who helped with the revision of the materials for the second edition.

Mr. Rodney MacIntosh and Mr. Lee Daniel, Part-time Instructors, Classical and Romance Languages, Texas Tech University, and Mrs. Elizabeth Karras, Teacher, St. Elizabeth Catholic School, Lubbock, Texas, who translated the teaching aids into Spanish. Mr. Arnulfo Balboa, Consultant for Vocational Guidance, Texas Education Agency, Austin, Texas, who reviewed the Spanish copy.

The advisory council for the revised edition of Consumer Education for Families with Limited Incomes consisted of:

Ms. Cynthia Wynn, Trinity Ministry Center
Ms. Barbara Sommerville, Guadalupe Neighborhood Center
Ms. Donna King, Neighborhood House
Ms. Ruthie Harris, Neighborhood House
Mr. Mal Cleland, Better Business Bureau
Mr. John Krahmer, Law School, Texas Tech University
Mr. Ray Duck, Planning Consultant, Financial Counseling
Mr. Benny Brito, Catholic Welfare Bureau
Ms. Mary Lou James, Housekeeper

all of Lubbock, Texas, who aided in identification of consumer problems of low income adults, content for the guide, and provided technical information.

FOREWORD

The urgency of giving consideration to social and cultural conditions and needs, especially in economically depressed areas, as evidence in Part F of the 1968 Vocational Education Amendments, prompted the development of Consumer Education for Families with Limited Incomes.

Home economists were asked by the 1968 Amendments to expand their concepts of reaching and teaching disadvantaged adults. This guide is planned to aid the concerned home economist in teaching consumer education to disadvantaged adults. The area of consumer education was chosen because research has shown it to be one of the greatest needs of low-income families.

The increasing complexity of the marketplace has necessitated that decision making, as used by individuals and families in the management process, become an integral part of consumer education. It is believed that this approach will enable participants to identify and analyze their values, needs, wants, goals, and resources and to make rational decisions, regardless of the technological changes which occur.

Consumer Education for Families with Limited Incomes is designed as an aid for teaching disadvantaged adults. The information included in this guide is presented in three sections.

Section One is an overview for preparing teachers to teach consumer education to disadvantaged adults. It contains information on poverty and its effects on families; suggestions for planning, teaching, and evaluating consumer education programs for disadvantaged adults; guidelines for working with disadvantaged adults on a one-to-one basis; and suggestions for using the materials in this guide.

Section Two, Lessons for Groups, includes units in ten areas of consumer education, including decision making, planning, buying, banking, borrowing, saving, insuring, sharing, earning, and protecting. Lessons and units are designed to stand alone for flexibility in program planning.

Each lesson in Section Two contains behavioral objectives, vocabularly words, suggestions for content and learning experiences, suggestions for application, and key ideas. Lessons are designed for use with groups having fourth to sixth grade educational levels. Following each lesson are directions for transparencies, posters, bulletin boards, flannel boards, instant slides, and other visuals; suggestions for simulation games, case studies, skits, and stories which may be used in carrying out the suggested learning experiences in the lesson. References to suggested visuals and teaching-learning materials following each lesson are clearly identified. Each vocabulary word is underlined the first time used in the lesson to remind the teacher to define and explain as needed, since the participants' understanding of the word will affect their understanding of the entire lesson.

Many suggestions for learning experiences are included in each lesson. Teachers are not expected to use all the suggested experiences given in each lesson. They may adapt, supplement, and/or expand the suggestions included in view of the specific needs, interests, abilities, and backgrounds of their students. Many of the experiences suggested may also be used as a means of evaluating the progress of students.

Section Three, Spanish Supplement, should aid the teacher in working with adults who speak only Spanish or who speak Spanish as their first language. The teaching aids used in each lesson in Section Two have been translated into Spanish for use by the teacher or by a translator assisting the teacher in working with Spanish-speaking adults.

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INTRODUCTION

Before the teacher begins work with disadvantaged adults, he or she should become familiar with poverty and its effects, with characteristics of the poor which may affect their learning, as well as with poverty in his or her own community. The teacher is then ready to begin planning programs for a specific group or locating individuals with whom to work.

Information on poverty, teaching and evaluation techniques, guides for working with individuals, areas in which disadvantaged adults may need help, and making visuals and handouts are given in Section One of this guide. Section Two contains lessons for groups in the following eleven units: decision making, earning, planning, banking, saving, borrowing, insuring, shopping, buying, protecting, and sharing. Section Three is a Spanish Supplement containing the Spanish translation of the teaching aids used in each lesson in Section Two.

Development of These Materials

In preparation for the revision, an extensive review of literature was conducted. Much of the information on poverty, characteristics and limitations of the poor, and learning characteristics reported in Section One was obtained from the review of literature. Many of the ideas for program planning also came from literature on working with disadvantaged adults. The review of literature was also used in preparing a scope and sequence of possible consumer education concepts.

In an attempt to provide additional information regarding disadvantaged adults in Texas, nine persons working with low-income adults in Lubbock, Texas, were interviewed. Each of the nine persons had experience working with one or more of the three ethnic groups prominent in Lubbock: Anglo, Black, and Mexican-Americans. These persons contributed examples of consumer practices and problems of the low-income persons with whom they worked, described the educational characteristics of the poor, and made suggestions for teaching methods which had been successful in working with disadvantaged adults. The persons interviewed then reacted to the proposed scope and sequence in this publication, made suggestions for improvement, and identified areas which they felt needed particular emphasis.

Using the information gained from the review of literature and supplemented by the interviews, objectives, and generalizations prepared or revised for each of the eleven major areas of the proposed scope and sequence. Using the objectives and generalizations as guides, lessons were written or revised including suggestions for vocabulary, learning experiences, handouts, visuals, transparencies, and activities.

To test the usefulness of the materials which were developed in the first edition, portions of Units I, III, and VI were used with groups of disadvantaged adults. Lessons from Unit III, Planning, were used with two 4th to 6th grade level classes enrolled in Adult Basic Education. Portions of Unit I, Decision Making, were used with an OEO (Office of Economic Opportunity) group while Unit IV, Borrowing, was used with a group of disadvantaged adult homemakers. Findings from the use of these sections of the materials indicated that they are appropriate for use with a variety of groups, since these particular classes ranged from informal to formal and included participatns from each of the three major ethnic groups who were from various income levels within the low-income range and who were also educationally disadvantaged.

Planning Programs

The lessons in Section Two were designed primarily for use with low-income adults who have a fourth grade education or more. They were not planned for use with extremely low-income families or for adults with less than a fourth grade education. The concerned teacher working with the latter type of group or individuals should, however, find a number of ideas in the lessons which would be helpful and could be adapted for use with her or his own group. Teachers working with extremely low-income families or adults with less than a fourth grade education will find more specific help in Section One.

In preparing to use these materials, the teacher will find it helpful to read a basic consumer education text, particularly if he or she has not taught consumer education. One of the following texts would be especially useful:

Andreasen, Alan B. The Disadvantaged Consumer. New York: The Free Press, 1975.

Swagler, R.M. Caveat Emptor: An Introductory Analysis of Consumer Problems. Chapter 10. Heath Publications Company, 1975.

It is also important to read the overview section of this guide which provides information that can lead to an understanding of the poor and of techniques for working with disadvantaged adults. To gain a better understanding of adults with limited incomes, any of the following books would provide good background reading:

Caplovitz, David. The Poor Pay More: Consumer Practices of Low-Income Families. New York, New York: The Free Press Glencoe, 1967.

Fetterman, Elsie. Money Management: Choices and Decisions. Boston: Houghton Mifflin Company, 1976.

Joyce, George, and Govoni, Norman A.P., eds. The Black Consumer: Dimensions of Behavior and Strategy. New York: Random House, 1971.

Magnuson, Warren G., and Carper, Jean. The Dark Side of the Marketplace: Completely Updated for the 70's. Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1968.

Wish, John R.; Steely, Donald G.; and Tritton, Stephen E. The Consumer: The Act of Buying Wisely. Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1978.

The teacher should read all the lessons in Section Two to become aware of the context and format of the lessons. Using the needs and interests of the group as a basis for planning, the teacher is prepared to decide which units, lessons, or parts of lessons will be used. These should be studied in detail well in advance of their use to allow plenty of time for preparing visuals and handouts, for doing additional reading in the area, and for determining and making adaptations of the materials to meet the needs of the group with which they are to be used.

Although the concepts and subconcepts are arranged in a logical sequence for teaching the complete series to a single group, it is not anticipated that there will be wide use of the materials in this manner. Each of the eleven units, therefore, is designed to stand alone. Many of the individual lessons may also be used alone or ideas may be taken from several lessons in order to prepare lessons to meet the needs of a specific group. For those lessons which depend on learning experiences in an earlier lesson, the teacher may be able to provide enough basic information to enable her or him to use the lesson singly, if desired.

These lessons are intended to provide a basic framework for the teacher and to give the information essential for developing each concept in the form of suggested learning experiences. The teacher should, however, feel free to expand, delete, and adapt the materials as necessary to fit the needs of the group.

Teaching Lessons

It may be necessary to make several types of adaptations in the lessons to make them relevant to the needs and interests of a particular group. The teacher may wish to change the names in stories, case studies, and examples to make them more culturally appropriate if he or she is workign with a specific ethnic group. The figures in some of the examples may need to be changed to make incomes and expenditures more like those of the group. Activities of families in the stories should be made relevant to the activities of the families of her or his participants. Examples drawn from the teacher's own experiences with the group or with similar groups may be added to make the lessons more realistic.

The teacher must be aware of the reading and language levels of group members. If the group has difficulty in understanding a point, the teacher should be sure to expand it and approach it from different points of view, using examples the participants will understand. Questions should be asked to determine whether participants will understand a point. The teacher should also be aware of whether or not the participants will understand a word before using it. Rather than use a word they do not understand, the teacher should try to find another word, give an example, define the word in very simple terms, or develop the learners' concepts without using the word he or she would normally use. The teacher might find Section Three, Spanish Supplement, helpful in working with adults who speak only Spanish or who speak Spanish as their first language. The Spanish translation of the teaching aid in Section Two will aid the teacher or translator assisting the teacher to clarify concepts for the Spanish speaking adults. Thus, making the information more relevant to their particular need.

In regard to planning length of meetings, an attempt has been made to make each lesson approximately one hour long. However, it should be noted that the time required for a lesson will vary with the group, their interests, and with their educational background. The teacher, therefore, must consider her or his own group before estimating the time a given lesson will require.

Evaluation of Programs

No program is complete without evaluation. However, evaluation of disadvantaged adults requires special attention and planning. Past failures may have caused blocks against school and testing, so the teacher will need to be especially creative in planning evaluative devices. Suggestions for creative evaluation are included in Section One.

SECTION ONE

OVERVIEW

SECTION ONE: OVERVIEW

We Americans pride ourselves in having education for all. While it is true adult education is available for all, the adults who have little or no reading ability and whose source of income is often from a welfare agency need special attention so they may become aware of and take advantage of the educational opportunities available to them.

The purpose of Section One is to describe the procedure used in the development of the materials in Section Two, to give suggestions for its use, and to provide background information on low-income and working with low-income groups. Also included is some basic consumer education to aid these families in achieving successful family living and in developing home management skills. Teachers who are experienced in this type of teaching have found that simple, basic principles are what these families need to know. The teacher should understand that teaching consumer education to low-income families is not telling which brand is cheaper or which store has the best bargains; but it is giving them guides to use for decision making in order to receive the most for the dollars they spend. This information will aid the teacher in making effective use of the suggestions for lessons included in this publication.

What Is Low-Income?

In ours, the richest nation in the world, low-income has recently come into focus, even to the extent that is has been identified by some as a "subculture" of our society. The result has been the coining of numerous terms to describe this group, including "the underprivileged," "the disadvantaged," "the poor," "the culturally deprived," "the poverty group," "the lower class," etc. These people are the ones who are located at the bottom of the socio-economic ladder. For the purpose of this guide, the terms low-income and disadvantaged are used interchangeably to imply limited incomes and educational disadvantages.

According to the Federal Register's[1] definition of low-income level, a family of four whose income was $13,650 would be considered low-income. However, depending on the government agency consulted, low-income may range from the poverty level of $6,700 to $13,650 income for a family of four, and $2,850 to $3,200 income for an individual. There is no adequate way to say with certainty that one family is poor and another is not on the basis of income alone. Recent low-income and poverty scales take into account such things as family size, age, assests held, climate, economic price levels, the opportunity to grow food, and farm-nonfarm residence. Low-income and poverty are also defined in terms of minimal levels of health, housing, food, and education which are necessary for life in today's highly scientific and technological society. Thus, the period in history is a factor in determining a definition of low-income.

Although estimates of the extent of poverty in the United States vary, statistics indicate there were 10.4 million poor families with incomes between $5,000 and $10,000 and 5.3 million families with incomes below $5,000 in 1978. These families included almost 25 million persons. In addition over 5 million unrelated individuals were labeled poor. This amounts to about 12 per cent of the total population or almost one in every 4 persons. In 1975, almost 12 per cent of the population in Texas had money incomes of less than $6,200.

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[1] "Rules and Regulations," Federal Register, Vol. 4, No. 65, April 3, 1979, p. 19999.

There has been a decline in the total numbers of impoverished persons in the United States in the last decade. According to Current Population Reports, one reason for the decline might be the increased numbers of women entering the work force. In 1977, statistics indicated that of all persons fourteen years and over, 93 per cent of the men and 75 per cent of the women had some type of income. The statistics also indicated that for civilians fourteen years and over receiving incomes, about 64 per cent of the men and 42 per cent of the women worked full time year round.

Who Are the Poor?

Certain categories of people in the United States are more frequently found among the ranks of the poor than others. Concentrations of poverty are found particularly among (1) non-whites, (2) families which have no wage earners or only a part-time wage earner, (3) families with a female head or with a male head 14 to 25 or over 65, (4) families in which the head has less than eight years of school, (5) families with six or more children under 18, (6) rural families, (7) families where earners have low-wage occupations, (8) families with disabled members, (9) families who live in large urban areas, and (10) single parent families.

Characteristics of the Poor

The poor are like all other persons in that they have the same basic needs--physical, emotional, and psychological--as those in higher income brackets. The main difference between the poor and those who are not poor is the degree to which they are able to meet these needs.

The main reason the poor have difficulties in meeting their physical needs, particularly in urban areas, is their low incomes. A low income is usually a product of underemployment and scattered, irregular, miscellaneous employment, often at low paying occupations. Low-income families have little money, virtually no savings, and no economic security. This means, among other things, buying often and buying small amounts--and getting less for their money than persons with higher incomes. In attempting to meet their physical needs, low-income families may have to resort to extensive borrowing through formal and informal sources, use of second-hand clothing and furniture, and living in over-crowded dwellings which offer little privacy.

Inability of the poor to meet their physical needs is further evidenced by a higher death rate, a lower life expectancy, a lower level of nutrition, and lower levels of health, both physical and mental, than are found among the prosperous. The poor depend more on home remedies and folk medicine, because medical care is both expensive and frightening, even though some medical aid is available.

Emotional and psychological characteristics of the poor are identified in the findings of a number of investigators. Evidence seems to indicate that the poor tend to be:

1) Authoritarian. This is particularly true in family patterns. The family pattern is likely to include a definite head of the household with children as subordinates. Punishment is likely to be physical and administered by a figure of authority.

2) Anti-intellectual. After frequent failures in school, the poor may read very little, if any. School may be considered unimportant or unable to provide a way of bettering oneself.
3) Prone to action rather than contemplation. Jobs are likely to require physical activity. Disagreements may be settled physically rather than verbally.
4) Inclined to personal and concrete thinking rather than impersonal and abstract thinking. Those in poverty areas have a limited perspective on life. They frequently see things relating only to themselves, their families, and their friends. Seeing things in relation to the community, the state, the nation, and the world may be much more difficult. Understanding abstract concepts such as mathematics may also be difficult.
5) Given to resignation and fatalism. Because the poor may be limited to living, working, and shopping within a small area, they may feel that they have no control over their destiny. Failure to see oneself in relation to the rest of the world may contribute to this feeling. Feeling that they lack control over their own destiny may explain why fatalism is frequently listed as a characteristic of the poor. How can one be optimistic about the future when they feel luck, fate, and other outside forces have controlled their destiny thus far?
6) Given to apathy. This characteristic refers to the seeming "I don't care" attitude frequently noted in the poor. This attitude may be expressed through a seeming lack of emotion or lack of interest. Poor nutrition and inability to provide for one's own needs may be important aspects of this attitude.
7) Provincial and locally oriented in attitudes and opinions. Folk lore, opinions, and attitudes are more likely handed down from generation to generation among the poor. Because families may have never been outside the area in which they live, they may not have been exposed to as many attitudes and opinions as persons with wider horizons.

Studies show that the poor are usually born poor, frequently feel rejected by society, have a poor self-concept, tend to be aggressive, operate under their own value structure, live in a "negative" environment, and are disadvantaged by their language skills.

Limitations of the Poor

The obvious limitations of the poor include inadequate, crowded living quarters, reduced access to education and recreation, and occupational restrictions to simpler, manual types of work. Not so obvious, however, are the problems which these and similar limitations impose upon the low-income family. The life conditions imposed upon the poor by such limitations include the following:

1) The poor have limited alternatives because of their narrow range of experience. Daily routines of the poor seldom vary. Jobs are limited to less complex, less creative, less demanding, manual labor ones. Socially, the poor seldom go beyond kinship and neighborhood groups--people very much like themselves.

2) They are in a position of helplessness compared to the bulk of our society. They have little bargaining power in the work world, thus little opportunity for improving their situation. They are the most easily replaced workers in the labor force.
3) The poor are deprived when compared to the rest of society. It is difficult to say that one family is poor and another is not, however. Inability to meet needs and wants felt by the family is one obvious deprivation of the poor. Certainly compared to the riches of life so attractively and invitingly displayed on television, in newspapers, on billboards, in store windows, and on the very streets themselves, the poor are deprived.
4) The first three limitations certainly lead to insecurity, but so do a number of other factors in the daily lives of those less fortunate members of our society. Sickness, injury, loss of work, and legal problems all occur more frequently among the poor. Their resources are sparse, and their savings, if any, are quickly used up in any sizable emergency. Constant fear of these possibilities tends to cause insecurity.

Further limitations are expressed in the term alienation, which is frequently used to describe the poor. Alienation seems to have four different forms of expression among the poor. This alienation is seen in their feelings of (1) powerlessness, (2) meaninglessness, (3) anomia, and (4) isolation. Powerlessness is frequently expressed in their conviction that they can influence neither society nor their own lives; that whatever happens is an act of fate, luck, or accident. Their world is meaningless because they do not grasp the structure of the world in which they live; they cannot understand their place in it; and they never know what to expect from it. Anomia is a term referring to a normless condition in which social standards have been broken down, or have no influence on behavior. Anomia is a condition which probably results from the failure of prescribed behavior to lead to expected goals; for example, when hard work fails to lead to economic success. Isolated from the rest of the world, the poor seldom get out of the slum area in which they live, may never travel across town, may never see the things most Americans take for granted.

Although these characteristics and limitations are useful aids in understanding the problems of the poor, it is important in working with individuals to avoid assuming that all the poor are alike. The poor are not one large homogeneous group. Thus, the teacher must learn the special problems of each individual in his or her class when working with low-income groups just as he or she does in any teaching situation.

The Teacher

For the teacher to work effectively with low-income adults she or he must develop an understanding of the participants they will be working with. In order to teach effectively, one must:

1) understand individuals by trying to see them and their world as they do.
2) learn the differences in the value systems of various racial and class subcultures in the community and the implications for the teaching situation.

3) discover the characteristics of a low-income community and the nature, causes, and effects of cultural deprivation.
4) control personal and environmental factors involved in the teaching-learning process.

The low-income person with little or no education needs a teacher who likes people, who is people oriented, and who will listen and hear what each individual is saying. Such a teacher believes each individual is important and is a person of worth. Unless a teacher can relate to and communicate with these people, he or she will be unable to help them.

The teacher needs a strong background in subject matter, must possess capacity for change, and should be flexible in her or his use of teaching techniques. Individual instruction is a must and the teacher needs to work with these families on a person-to-person basis. Home visits are important. When the low-income person trusts the teacher and realizes that the teacher is a friend and not a "nosy-busybody," they are likely to become interested in improving or changing family living patterns. The teacher often must visit a home many times before a low-income person will participate in any homemaking or consumer education activities. Thus time and patience are primary factors in working with low-income families.

It should be the goal of the teacher to involve these families in group work. Although some families will never participate in group activities, others will eventually begin to attend classes. It is hoped that participation in small groups will lead them to an increased interest in community activities and to more responsible citizenship.

Characteristics Which Affect Learning

People with limited incomes have the same need for expression, attention, and recognition as other people. Self-confidence and self-respect are powerful motivating forces, and every opportunity should be taken to help participants feel accepted, wanted, and worthwhile.

A number of factors affect not only the ability of the disadvantaged to learn, but also the likelihood of their participating in educational groups. The educationally deficient individual lacks the skills necessary for enjoying a formal learning situation. They may lack both the social skills for group participation and the initiative or motivation to join a group without considerable encouragement. In addition, they may fear outsiders or people they do not know. If they have previously experienced failure in school activities, they may be insecure, lack self-confidence, and fear failing again. Their level of aspiration may be low because they do not know what they may reasonably expect to attain.

Adults in limited income groups are characterized by a number of factors which affect learning. Awareness of these factors is an important aid for the teacher of disadvantaged adults in planning programs which will provide opportunities for participants to receive the fullest benefit from the class.

Characteristics which encourage adult learning include:

1) Recognition of immediate problems. Adults should be encouraged to express their immediate problems, so these can be used as the basis for beginning lessons.
2) Meeting basic needs. Because poor adults, like other people, are striving to meet their needs, classes should be planned which deal with meeting these needs.
3) Influence of admired person. If the teacher can gain the confidence and admiration of the participants, their desire to learn is increased. This also places the teacher in a position to help meet their basic needs for recognition and approval.
4) Interest in relevant learning. The disadvantaged learner must see a relationship between what is being taught and her or his own situation. If this relationship is established early in the course and frequently reinforced, interest is more easily held.
5) Learning by doing. Disadvantaged adults learn most easily when they are personnally involved in the experience through guided practice.

Characteristics which are barriers to learning include:

1) Fear of failure. Many disadvantaged adults have experienced repeated failures in school. A new learning situation may carry threat of further damage to an already battered self-concept, so they may avoid new learning situations. If a teacher can give participants opportunities to succeed, the teacher will do much to increase their likelihood of learning.
2) An acquired dislike of school. There is some evidence that school has a negative connotation in many disadvantaged homes. Therefore, it may be important for the teacher of adults with limited incomes to avoid associating the classes with school or education.
3) Feeling of being too old to learn. Disadvantaged adults, like many other adults, may have the attitude that they are too old to learn. The teacher may need to emphasize small achievements at first so this false belief is corrected and new learning can take place.
4) Lack of language skills. Because of their poor language development and their inability to speak standard English, learning experiences must be geared to the disadvantaged adults' level of language and a limited amount of time devoted to lecture and discussion. Many additional experiences other than verbal ones should be provided. The language problems of disadvantaged adults have several implications for the teacher. Most important, the teacher must be a good listener. Because participants may use words incorrectly or inappropriately, the teacher must be able to interpret what they are trying to say. By always listening carefully and by asking appropriate questions and probing to get the meaning of their answers, the teacher will soon realize that the participants have many important contributions to make to lessons. It is also important for the teacher to be supportive in helping the participants say what they mean and to be careful not to alienate them by embarrassing or correcting them.

5) Need for immediate gratification. Because of their many past failures, disadvantaged learners tend to give up on tasks which provide no immediate sense of accomplishment. Encouragement and praise are necessary to promote completion of these tasks. In addition, practical rewards should be given as often as possible.

6) Short attention span. The short attention span of disadvantaged learners demands that learning tasks be short and varied. Listening for long periods of time may be particularly difficult for disadvantaged learners. Therefore, instruction should emphasize seeing and doing rather than a verbal approach.

7) Slowness to learn. Disadvantaged learners are slow in their performance of intellectual tasks. Slowness should not, however, be equated with dullness; it simply means that adequate time must be allowed for completion of each task.

8) Lack of time. People with large families and low incomes may have difficulty finding time to participate in classes. Likewise, those who work long hours at physically tiring jobs may be exhausted and may not be interested in attending classes at night.

9) Interfering past experiences. Cultural patterns which affect values and attitudes are likely to be different for the group than they are for the teacher. It may, therefore, be difficult for a "middle class" teacher to effectively communicate with a person or group of people holding different social values because the teacher's standards in many aspects of living, including sanitation, adequacy of diet, and home furnishings, are likely to be very different from those held within the lower socio-economic family. A teacher who is consciously aware of these factors and takes them into consideration when planning the lessons is more likely to be successful than one who does not.

10) Reading difficulty. Because the average educational level of the disadvantaged adult is between fourth and sixth grade, reading ability is usually low. In addition, reading may be associated with failure in school, with the result that the adult may have done little reading since leaving school. Difficulties in reading must be taken into account in preparing handouts, visuals, and other materials.

In addition to the characteristics discussed above, other factors must be considered by the teacher when planning classes for a group of adults with limited incomes. It is often difficult for them to get to the meeting place. The reason for this may be that they have no place to leave the children, or they may not have transportation outside their neighborhood. It may be necessary for the teacher to help solve such problems or to plan the meeting place accordingly. Another reason for such adults hesitating to attend meetings is the feeling that their clothing is not suitable. Attendance of any one individual is likely to be inconsistent and absences are to be expected. Group size may vary from only a few to a large number depending on such extraneous factors as weather, community and church activities, or a death or marriage in the neighborhood.

Teaching Bi-lingual Adults

Low-income adults who speak English as a second language may have special problems. Some participants may be unable to express themselves in English, some participants may speak English with limited understanding of the language, and others may understand and speak English freely but unintelligibly. The reason for this is many Spanish speaking people tend to translate the sound and structure patterns of their own language into their use of English.

Many disadvantaged adults have very limited reading abilities in their native language as well as in English. Therefore the teacher should present materials in the order of listening, speaking, reading, and writing according to the abilities of each group.

The teacher who works with Spanish speaking participants should have a positive attitude toward language differences of the group. Before working with the bi-lingual participants the teacher should determine the individual language dominance, the degree of comprehension of each individual in English and Spanish, and have an understanding of the characteristics of Spanish linguistics as compared to the characteristics of American English linguistics. The teacher should also be able to conduct meetings and activities in Spanish to communicate effectively with all participants of the group. If the teacher does not speak fluent Spanish a translator should be present at all meetings. Teaching in the dominant language can help participants avoid misunderstandings. In their own language, participants can related one concept to another.

Eventually, the listening-speaking approach will aid the teacher in working with Spanish speaking adults. The use of proper sentence structure, contractions common to English, and a normal conversational rate of speech will help participants become accustom to usual English speech patterns. By listening and speaking English, it might be easier for participants to understand and to be understood in their use of English in their community.

Program Planning

Preliminary planning is necessary before beginning work with families with limited incomes. Such planning should involve the following steps:

Surveying the community. One of the first steps in organizing a class is to find out what educational needs are already being met in the community and the groups of people who are being reached. This type of information may be obtained from persons associated with the extension agencies, welfare agencies, the public school system, the local housing authority, and churches. A study of the U.S. Census will give the number of families in the area who have incomes less than $6,200, the educational level of these families, and the number of houses in the area which are deteriorating or dilapidated. These facts will aid in determining the type of instruction that will likely meet the needs of the community.

Discovering the needs of low-income families. If the content material is to meet the needs of the people, it is important to identify these needs. After the area or neighborhood to be reached is determined, existing needs can be discovered by turning to people in that area. People who work and/or live in the area, such as ministers, priests, teachers, community leaders, and business people, can provide much of the information needed. Additional information may be gained from the families themselves through both conversation and observation.

Adapting programs to meet their needs. The needs and interests of no two groups are exactly alike. In addition, groups vary somewhat in their characteristics. The teacher must, therefore, be prepared to adapt programs to the specific group with which the teacher is working. It is recommended that the class begin with lessons on topics which have the most appeal to the participants. Providing additional learning experiences in problem areas is another way of meeting the needs of a particular group. To aid in meeting needs for self-esteem, visual aids and case study names should be representative of the ethnic group or groups included in the group.

Pacing the program to meet needs. Learning characteristics of the disadvantaged, previously discussed, indicate that this type of group is likely to take longer to grasp concepts than those with higher educational levels. Sufficient time must be allowed for each activity. Repeating essential ideas or concepts in different ways may aid participants in remembering these points.

Building program around meaningful problems. Programs should be geared to the family with a limited income. Making use of the current life experiences and problems of disadvantaged families can be particularly helpful in making programs relevant. Such experiences and problems may be discovered through observation, listening, role playing, or discussing.

Determining objectives. Programs should be built around meaningful objectives of which the participants are aware and toward which they can work. By involving participants in deciding what they want to get out of the instruction, learning can be made more pertinent and meaningful to them. Evaluation of progress toward these goals, particularly when goals have been set by the learners, is highly important.

Procedural Considerations

Another aspect of planning classes for adults with limited incomes involves such procedural considerations as group size, meeting place, classroom procedures, and human relationships.

Group size. A small group of five to fifteen members is the most satisfactory. A group of this size allows for maximum interchange among its members, but still provides for a diversity of opinions and ideas. A degree of intimacy and rapport is more likely to develop in a small group than in a large group.

When it becomes possible to form a group of even two or three friends, do so. Attending group meetings will provide both learning opportunities and a social outlet for participants. However, the teacher should anticipate problems, such as a place to leave children and transportation, and try to help the group solve them. The teacher must realize that more factors may affect attendance than in other groups. Personal and family problems are increased in large families who cannot afford medical care. In addition, participants may have no suitable clothing for bad weather.

Meeting place. The meeting place for a group of disadvantaged adults should be as pleasant, attractive, and orderly as possible. Color is important and may be introduced through pictures, eye-catching bulletin boards, plants, and curtains. Reading materials on their reading level in areas in which they are interested might also be provided. The meeting place should be conducive to learning so participants will want to return. Even if the meeting place is an old store, the teacher should attempt to make it as attractive as possible with the help of the group participants.

Classroom procedures. The teacher must prepare carefully for group meetings. As with other groups, everything must be well planned and ready to begin on time. Needs and interests of group members should be considered. Lesson content should be concrete and meaningful to group members. Field trips, visuals, and verbal teaching techniques should be considered. Meetings are best if they are kept informal. Asking group members to read aloud, participate in role play or skits, or play educational games before they know one another well enough may be threatening.

Lessons planned for disadvantaged adults must have built-in flexibility. It may be well to allow some time for visiting or for activity before beginning the lesson to allow for the arrival of the inevitable late-comer. In addition, if participants show particular interest in an activity or topic, the teacher may continue it longer than planned, or if participants show little interest, it may be well to change the activity or topic. Attention span is usually extended when lessons deal with things that interest them. However, such factors as weather, community activities, family problems, and other events may affect the degree of attention given to a lesson.

Participants may feel more comfortable if a regular procedural routine is observed. This should be established in the early meetings of the group and participants should know that all lessons will follow a similar pattern.

Directions for activities should be clear and simple. They may need to be repeated to be sure participants understand them. Some participants may also need individual attention.

Group instruction, like individual instruction, must be very simple. "Show and tell" activities, demonstrations, and discussions are usually more effective techniques than tapes and films. The flow of thought in tapes and films is often too fast; the person with little or no education cannot keep up and soon loses interest. Film strips are more effective because the teacher can take time to discuss and explain the subject matter. Skits and cartoons are sometimes ineffective because these people may not relate the ideas presented to their own situations. If these are used, the teacher should allow plenty of time for discussion in order to be sure each individual understands the points intended. Learning materials should contain simple concepts, and handouts should be simple and to the point. One or two word phrases and short sentences are more effective for learning materials than lengthy or detailed information. Most activities should be planned so that they may be completed in one meeting. If activities are extended, directions will need to be repeated. Also, the high absentee rate of such groups prevents many students from finishing carryover activities. Remembering that slowness is one of the characteristics of the learning style of disadvantaged adults will aid the teacher in allowing sufficient time for completion of activities.

Human relationships. Sensitivity to human relationships is especially important in working with disadvantaged adults. They often feel that they have been rejected by society, and they may not feel that they are respected by members of other socio-economic groups. Their continuing deprivation tends to reinforce these feelings. In addition, many disadvantaged adults are members of minority groups and have felt the brunt of racial prejudice. Thus, the teacher must first give participants the assurance that each is an individual to be respected. Good human relations may be readily established if the teacher takes time to: talk with them as individuals; shows a genuine interest in all participants, their families, and their problems; refrains from making belittling remarks about any of the participants; and, in general, treats the participants with respect.

Correct pronunciation of names is also important in developing good human relations. Teachers of minority groups should learn the names and labels the group members find offensive and what they would prefer to be called. As in other situations, individuals should be called by the name they prefer.

The teacher should beware of communicating a "better than thou" attitude to participants. The advantages of certain behaviors can be pointed out without making participants feel that their patterns are inferior. Participants' use of nonstandard English is a prime example.

Teaching Methods Successful with Disadvantaged Adults

It has long been recognized that there is a relationship between the conditions of social, cultural, and economic deprivation and deficient learning. The environment having the greatest extent of these deprived conditions also consistently has the highest level of school retardation. Particularly striking are deficiencies in linguistic skills and reading ability in areas with this type of environment. Incidence of school dropout and failure are high and destine these persons to a lifetime of the least skilled and least desirable jobs with little or no opportunity for upward social mobility. To reduce this waste of human potential, teachers must find methods suitable for developing the abilities of the disadvantaged.

General principles of learning. Basically, of course, there is no difference in the way the disadvantaged learn and the way others learn. The same general principles of learning which apply to other groups also apply to them. The largest difference lies in the meanings things hold for these learners and the degree to which certain factors are operable. For example, although all learners proceed from learning about things which are familiar to those which are not familiar, there may be differences in what is familiar to disadvantaged participants. Table setting might be very familiar to the middle class learner, but to participants living in families without enough pieces of flatware to go around, it may be quite unfamiliar. In addition, factors that motivate the disadvantaged to learn may differ radically from those that motivate the middle class person. The middle class person may be motivated by grades, a diploma, or learning for the sake of learning; the disadvantaged learner may need something more tangible and immediate to motivate them to learn, such as being able to see how she or he can use the information now.

Relevance. Relevance is frequently stressed as an important factor in teaching the disadvantaged. Relevance may be a solution to the problem of motivation because it provides a present and meaningful connection with the life of the disadvantaged learner. To successfully provide relevance in programs planned for the disadvantaged, the teacher must have both a clear understanding of the slum community and the ability to translate textbooks and other materials based on "middle class values" into learning experiences based on the needs of the disadvantaged learner. The teacher will be aided in this task by: (1) becoming familiar with the language of the disadvantaged learner, (2) using participant examples and experiences as a basis for lesson content, (3) giving participants direct experience wherever possible, or if not possible, simulated experiences, (4) encouraging social contact, and (5) making learning practical rather than theoretical.

Getting attention and interest. In light of the above statements, it is evident that traditional approaches to instruction fail to produce effective learning and that a different approach is needed. First, new ways must be found for getting the attention and interest of the participants through use of their past experiences. Then these experiences must be integrated with what is taught. As this is done, the participant can be guided to make other applications of the facts identified.

Because the disadvantaged learner is also a slow learner, programs must emphasize the important concepts and ideas, eliminating details, in order to provide time for adequate study of these basic ideas and concepts. Provision of varied activities relating to the same topic is necessary. This approach enables each individual to respond to the task in terms of his or her own level of perception, performance, and skill. In addition, learning for the disadvantaged participant must be paced so that it moves from topic to topic and from lower to higher levels of understanding.

Varied activities. Use of varied activities is extremely important in working with the disadvantaged. Because of meager background, lack of experience, short attention spans, and poor work habits, many overt activities are needed to hold the attention of the disadvantaged adult. Effective methods for teaching the disadvantaged include the use of stories, dramatization, skits and role playing, observation, and interviewing. The tape recorder, if properly introduced, can be a device for holding attention. Pictures and drawings may be used to provide clues to meanings for disadvantaged learners. Other suggestions include door-to-door flyers, key word association, opinion polls, questionnaires, cartoons, discussion questions, case studies, problem situations, and dramatic stories.

Physical involvement. Methods which are effective for use with disadvantaged learners are usually those which may be used in an informal situation and do not outlast the learner's attention span. Successful methods require the learner to become physically involved and are simple and easy for them to understand. Some nonverbal elements, such as seeing or doing, and use of vocabulary and language structure which the disadvantaged can understand, are also recommended.

Guidelines for Person-to-Person Instruction

Many adults with limited or no education may not attend any type of group meetings. The format of this section of the overview includes suggestions to the teacher and points to be emphasized and expanded when visiting with the families on an individual basis or in small groups.

An effective way of sharing information with these families often involves "through-the-back-door" tactics. For example, when the teacher is making a home visit, the homemaker may state that she would like to buy or repair a chair, which gives the teacher the opportunity to "teach." The teacher might say, "I covered one of my chairs; maybe I can help you." If the homemaker is willing for the teacher to assist, they can evaluate the chair together and determine what could be done. The decision made might be to reupholster the chair, to clean the chair, or to discard the chair and buy another one. Consumer education would be involved in choosing a suitable cleanser, selecting fabric and findings to reupholster the chair, or considering factors to observe when buying a chair.

The information which follows includes suggestions for approaching and working with families with limited incomes on an individual basis. The teacher should find these points helpful, particularly if she or he has not previously worked with low-income families.

Obtain their confidence through home visits

1) Dress appropriately by wearing something neat and in good taste. Overdressing may make the person feel that you do not fit into their way of life. Underdressing becomes obvious should you happen to see the person again somewhere else.
2) Do sit down if a chair is offered.
3) Show interest in what the individual and their family are doing. Befriend the children. Plan something interesting to keep them busy while you visit, perhaps toys the parents could make themselves. Get acquainted with other adults in the home, too.
4) Concentrate on learning and remembering names of family members so you can speak to them wherever you see them. You are showing your interest in them by taking time to learn and remember their names.
5) Watch the reactions of the person you are talking with. If their expressions indicate that they do not understand, you may need to use simpler terms, or give an example, or the problem could be one of poor vision or hearing.
6) Do not express surprise or rejection verbally or through facial expression at things you may see while visiting in a home. Poorly constructed housing may make it difficult to keep rats and mice, bugs, and flies out of the dwelling. The family may not know how or have money available to fight such pests. The people may not have adequate sanitary facilities, money for cleaning supplies, knowledge of cleaning supplies, knowledge of cleaning techniques, or time and energy to spend keeping the home clean.

Approach teaching through the "back door."

1) Let the people you visit take the initiative. Listen carefully to needs and interests they express.
2) Introduce information by saying: "I find it easier to...," "You might want to try...," or "Some possible solutions might be..." rather than "That isn't right," "You should do it this way," or "You should never..."
3) Accept the family's meal patterns, but make suggestions which will help them meet nutritional requirements. You might say: "I see you like beans. I like beans, too, but I like to eat them with cabbage slaw," or "Have you ever tried melting cheese on top?"
4) Be tactful in suggesting changes in practices by saying, "This big skillet can be used for frying, baking, or roasting, but a Dutch Oven or large pot with a tight fitting lid might be better for vegetables, stews, and pot roast."
5) Use personal references, such as, "It would be nice for each child to have seven pair of panties, but when my children were small, I found that I saved money by having only three or four pair for each child and washing them more often. You know how children out-grow their clothing; they never wear things out."
6) Help the family evaluate goods with such statements as: "All this advertising of new cleaning products on TV makes cleaning look so easy. I find, however, that I get along just as well for less money with a good detergent for laundering, a cleaner with amonia in it, a good broom, a good mop, and a soft rag for dusting."
7) Remember that habits of adults are slower to change than those of younger persons or children. Changing eating habits or behavior patterns may be difficult for them. Look for and praise small improvements.
8) Handouts are a good way to give the participants guidance and show interest in them. Be sure they are simple, to the point, colorful, and, if possible, include pictures, drawings, or cartoons.
9) Mailouts may be a good idea for creating interest and providing information.

Interweave consumer education with other types of information or experiences.

1) Food preparation--Consumer education may be interwoven with classes in food preparation. Some things which might be included are:
    a) Show how two or three good pots and pans are better buys than many inexpensive pots and pans in various sizes and shapes.
    b) Suggest improvising measuring cups by marking jars and cans with fingernail polish. Tablespoons and teaspoons may be substituted for measuring spoons.
2) Clothing--Consumer education may be interwoven with classes in clothing construction. Suggestions may include:
    a) Go with participants to rummage sales, thrift sales, and garage sales to help them learn to evaluate clothing available. If a participant sews, show them how they may select a large size garment to use as

material for a child's garment or blouse. A child's coat might be made from a large coat.

b) Show participants how much money they can save if they learn to sew, particularly if machines are available in or near their homes for free use. Housing projects and community centers frequently provide machines for use by low-income adults.

Teach families to make good use of available resources.

1) Become acquainted with your community to learn if there are free or discarded materials available for any of the following uses:
   a) Making furniture from large wire spools, crates, boxes, or discarded furniture.
   b) Making kitchen equipment from large jars or cans with lids.
   c) Making inexpensive accessories for one's home.
   d) Making garments from scraps and mill ends from garment factories or clothing stores.
   e) Making toys for children such as:
      (1) blocks from lumber scraps, milk cartons
      (2) painting on newspapers
      (3) play houses from cardboard boxes
      (4) stacking toys from tin cans
      (5) sandboxes filled with leftover sand
      (6) scrap books and story books from discarded magazines.
2) Become familiar with agencies that offer the following services to low-income families:
   a) health
   b) recreation
   c) education
   d) legal aid
   e) consumer protection
   f) social
   g) counseling.

Problem Areas

Low-income families have special problem areas as consumers. While working with a family you will want to look for areas in which they need help and in which they want help. Areas in which low-income families may need help include the following:

In decision making

recognizing their values
defining their goals
getting help in setting and achieving goals
providing for their basic needs
putting needs before wants
putting family needs above the wants of individuals
working together as a family
knowing what resources are available to them
taking advantage of available resources
developing skills which may become resources

- knowing that different forms or combinations of resources may be used to reach one goal
- making optimal use of resources
- realizing that all decisions are interrelated
- knowing how to make decisions through logical analysis of choices
- weighing all advantages and disadvantages of each alternative before making a decision

In earning

- knowing how environment influences one's ability to get and keep a job
- knowing how personal attitudes, human relationships, and education affect one's ability to get and keep a job

In planning

- establishing priorities
- making plans
- anticipating outcomes
- making long-range plans
- knowing how to implement plans
- realizing the importance of communication among family members in reaching goals
- reappraising and adjusting plans to meet changing conditions
- evaluating plans
- considering criteria for measuring results
- using evaluation as basis for making future plans
- keeping financial and other family records
- using records as basis for future planning

In banking

- knowing what banking services are available to them and understanding how to use them
- knowing how to open and use checking and savings accounts

In saving

- knowing why saving is desired
- knowing where to put savings
- disciplining self to the savings habit
- recognizing the importance of "pay-yourself-first" saving
- realizing that care and maintenance which lengthens the life of a product is a form of saving
- developing skills which could help the family save money (making electrical or plumbing repair, sewing, auto mechanics)
- realizing that other resources may be substituted for money

In borrowing

- knowing what credit is, type of credit available, and how to use credit wisely
- figuring credit cost
- knowing reasons for using credit
- knowing conditions for obtaining credit
- understanding importance of keeping a good credit rating
- understanding that credit costs vary
- knowing importance of shopping for credit

understanding credit contracts
figuring the cost of credit

In insuring

knowing purposes of insurance
becoming familiar with insurance terms
knowing how to determine insurance needs
becoming familiar with types of insurance available
knowing the purposes and benefits of Social Security
knowing when to consult the Social Security office
recognizing the benefits of Medicare and Medicaid
taking advantage of veteran's benefits
being aware of benefits available through federal and state agencies
understanding the purposes and benefits of estate planning

In shopping

knowing how attitudes affect buying practices
making a preliminary study of available information
making preliminary buying plans
establishing criteria for buying various items
broadening shopping horizons
deciding where to shop to get the most for their money
using criteria for selecting source of purchase
paying more attention to the best time of day to shop

In buying

shopping comparatively
inspecting goods and labels
recognizing the relationship of price to quality
curbing impulse buying
evaluating "bargains"
becoming aware of standards, grades, warranties, and guarantees
understanding the purpose of advertising
recognizing the effects of advertising on buying practices
analyzing advertisements

In protecting

recognizing fraud, quackery, and deception
knowing things to look for in packaging and labeling
taking advantage of standards and grades as guides when shopping
knowing what to look for in guarantees and warranties
knowing their responsibilities as consumers
knowing where to go for help as a consumer

In sharing

knowing uses and benefits of taxes
keeping tax records
filling out tax forms
knowing benefits available through charities
taking advantage of benefits made available through church gifts
using time and skills, as well as money, to provide gifts for family and friends

When one of the previous problem areas has been recognized, the teacher may then prepare to meet the family's need for consumer education in that area. Ideas for learning experiences to be used with individuals may be drawn from the materials in Section Two. Although it is doubtful that an entire lesson would be used, by studying the lessons in Section Two the teacher should become familiar with consumer education needs of low-income families and possible content and approaches for discussions with the participants and their families.

Evaluative Techniques Effective for use with Disadvantaged Adults

Many adults who participate in the adult groups may not have been exposed to testing in a number of years. The disadvantaged person may feel threatened by tests, especially if they were relatively unsuccessful in their school experiences. Despite these difficulties, no teaching program can be evaluated fairly without some objective evidence upon which to base evaluation.

To effectively evaluate programs for adults with limited incomes, the teacher might choose from the following suggested evaluation techniques:

Before Beginning a Course:

Determine what other organizations and agencies are doing so duplication of efforts will be avoided.
Discuss problems of a particular locale with persons who are already working in the area and who have dealt with or who have been confronted with specific problems.
Conduct an interest inventory to determine possible program content.
Use pre-tests to aid in course planning.

During Course:

Have participants help set own goals and objectives from a list which has been compiled on the basis of the interest inventory mentioned above. Include cognitive, affective, and psychomotor when applicable.
Ask questions at beginning and end of each lesson to determine whether participants can relate what is presented to their own situations and whether they are using what is presented. Such questions frequently begin with "how" and "why."
Use pre-tests such as discussion questions, games, check lists, or other informal forms of evaluation to aid in planning each unit.
Use pictures and oral questioning when evaluating learning of slow readers and bilingual participants.
Check participants' ability to transfer what is learned by having them solve problems of case study families.
Use check lists, rating scales, inventories, questionnaires, attitude scales, observations, teacher logs, and other devices to check participant growth toward class objectives.
Use games, group work, and other activites to evaluate participant learning.
Encourage participants to evalute themselves by asking what they feel they have learned, what they are doing differently, how far they have progressed toward goals, and how much further they have to go.

Adapt some of the more traditional types of tests for use with the group, but *do not* call them tests, nor give grades. For example, meal planning through selection of mock-ups; or multiple choice from 4 fruits of the one which would be useful in preventing colds.

Observe how well participants work together, how they divide into groups, and how freely they share experiences to evalute the degree to which social barriers, especially in mixed ethnic groups, have been broken down.

Plan some type of evaluation to help participants determine what *they* have gained at the end of the lesson, a unit, and/or the course. Again *do not* refer to this as a test.

After the Course:

Have the participants evaluate the course through the use of a check list of rating scale categorized into such areas as content, activities, teaching procedures.

Conduct a follow-up interview with participants to find out if they are using any of the ideas they gained from the group meetings.

Contact other people who work with some of the participants to learn about comments and responses participants may have made as well as to gain evidence about whether participants continued to make use of information gained.

MAKING AND USING VISUAL AIDS AND HANDOUTS

Suggestions for making and using visual aids and handouts have been made throughout the lessons in this publication. The teacher should find the following suggestions helpful in preparing these materials.

Interchangeability

Visuals and handouts are important teaching aids for work with disadvantaged adults, as pointed out in earlier sections of the overview. However, teachers frequently lack equipment or materials for some types of visuals. Most of the ideas for visuals, therefore, may be used in several forms. For example, if an overhead projector is not available for showing transparencies, the masters might be used in an opague projector and shown on a screen or wall. The opaque projector also could be used to blow up a master on poster board or white paper so that it may be traced and used as a poster, a bulletin board, or a flannel board. The ideas might be used on instant slides and shown with a slide projector or duplicated with ditto or mimeograph equipment and used as a handout. The teacher should feel free to use any form of media desired for the visuals suggested in the lessons.

Important Pointers

Whether making visuals or handouts, the following pointers will be helpful.

Color is an important attention-getter. An effort should be made to make visuals and handouts as colorful and attractive as possible. Color may be introduced to posters, flannel boards, and bulletin boards through the use of colorful backgrounds, use of color in designs and pictures, or use of colored lettering. Color may be added to transparencies to make them more appealing and the use of colored paper may make handouts more interesting.

When planning both visuals and handouts, the teacher must be conscious of the language level and reading ability of participants. Words used must be ones the participants can read. If new words are introduced on a visual or handout, they should be defined or the idea might be represented pictorially so participants will not feel frustrated in attempting to read the new words.

Pictures of real people, cartoons, and graphic illustrations may be used to make a point with or without the use of words. To help participants identify with the situation more easily, pictures which are culturally appropriate should be used. Pictures made in the neighborhood may help participants to identify with a situation.

When suggestions for visuals and handouts are enclosed in brackets in this bulletin, the ideas for these will be found immediately following that lesson.

Making Transparencies

A number of transparency masters are included in these materials. To make a transparency, a sheet of projection transparency film is placed on the master and run through a copying machine. Color may be added to the transparency by cutting color adhesive film to the shape desired and sticking on the transparency. Cartoons or drawings may be colored or statements on the transparency may be highlighted with different shapes of color adhesive film. Additional colors may be obtained by placing successive layers of color adhesive film over existing colors. Color may be added to transparencies with grease pencils or felt-tipped markers or pens.

Making Instant Slides

These are slide series that the teacher can do quickly. These slides can be used in any 2"x2" slide projector and cost less than $2 for twenty. The inside area of a 2"x2" slide may differ. The most popular format is 127 (1-7/16" square, the largest available inside dimension). Other sizes are 1/2 frame 35 mm. (filmstrip size) and 120. Of these, all outside areas are the same 2"x2". Also, remember that most filmstrip projectors have a slide attachment.

To make instant slides:

1) Run the master sheet through a transparency-making machine, as for transparencies.
2) Color may be added if desired. Colored overhead pens will do small areas quickly and efficiently. Diazo can be used. Adhesive acetate will provide red, blue, or green images for materials copied. Colored adhesive film may be used to cover the entire slide.
3) Cut each frame on the outside lines.
4) Put each frame section in a #127 slide holder.
5) Seal with hot iron. Professional slide sealers are available, or the teacher may borrow a sealing iron from the library.

SECTION TWO

LESSONS FOR GROUPS

UNIT I: DECISION-MAKING
I-1: Values and Goals

OBJECTIVES:

Identify personal values and related goals
Name common influences on an individual's values
Discuss the importance of goals
Set realistic short term and long term family goals
Distinguish between values and goals

VOCABULARY:		
	values	short term goals
	goals	long term goals

Every person has values and goals. Your decisions about what to buy or not buy, to save or to spend, to buy now or wait until later are all ruled by your values and goals. These values and goals affect your consumer behavior. Consumer decisions vary because each person has different values and goals.

Values

Values are our beliefs in what is important, good, or beautiful. Values guide us in the things we do or the choices we make. For example, if health is more important than education, children would be kept home from school when they are sick. Values are things which we:

1) consider important
2) base our ideals and principles on
3) can change
4) use to sort out information
5) use to make decisions
6) live by
7) choose freely
8) cherish
9) repeatedly act upon

Pause for a moment and list on the handout (p. 32) ten items which you own and would not like to do without. What values do these things indicate? Discuss other possessions or actions which indicate values that might be important to people.

Using the values case studies (pp. 33-34) determine what values are being illustrated.

What seem to be the values of each family?
Are they similar or different?
Show or discuss the related poster (p. 35).

Collect clippings from magazines or newspapers which reflect your personal values.

How we get our values

Your earliest and most basic values came from individuals you were closest to or whom you admired and respected. Common influences on the values which people choose to hold are:

1) family
2) close friends
3) peer groups
4) mass media (t.v., radio, movies, newspapers, books)
5) church
6) school
7) teachers
8) community

Selecting your own personal values is a part of maturing. After considering many ideas, you identify certain acts and thoughts that you believe are right. These acts and thoughts become your values. Discuss questions such as:

Who had the greatest influence on your values?
Which values have the most influence on your life today?
How are values influenced by one's home, school, community, and church?
How do values affect your family and its use of money?

Expressing values

Values are expressed in the choices you make. Look at the television programs you watch, the way you spend your leisure time, the food you eat, and company you keep. Your actions reveal what is important to you. How do you express your values?

Goals

Goals:

1) are aims and objectives
2) depend on values
3) differ among individuals
4) guide living and spending
5) change with age and interests

Once you have established your goals, you can better plan the use of your time, money, energy, and abilities to reach them. Setting goals involves daily planning as well as planning for the future. [Use the poster (p. 36) to illustrate short term and long term goals.] Goals are short term goals if they involve only short periods of time and can be achieved quickly. Buying a plant or making the bed is a short term goal. Long term goals take longer to achieve. Purchasing a house or car usually is a long term goal.

Goals which families and/or individuals set should be realistic. [Use the cartoon (p. 37) to discuss goals which might be unrealistic when resources are limited.]

Setting family goals requires the cooperation of all family members mature enough to take part in planning. Occasional discussions of goals will help to achieve harmony in the home. When everyone is working together toward common goals, family friction can be avoided.

How much input should children have in setting family goals? (It is a good idea to set your goals as a family. Then all members of the family can work together to reach the goals.)

How would you answer the following questions and to what values would they be related?

Why save for a rainy day?
Why shop for a loan with the lowest interest rate?
Why give to charity?
Why file a complaint when someone has taken advantage of you?
Why should the wage earner buy the most amount of insurance when there are young children in the family?

Knowing what you want and why you want it gives direction to your life and helps you know how to use your money and other resources. Clearly defined values and goals will help you decide where you are going and what you want from life.

APPLICATION: Set long term and short term goals for family spending chart (p. 38). Compare the values and goals expressed in books, on T.V., or in popular songs with those of your family.

Describe five items you have recently purchased and decide what values and goals were behind the purchase.

KEY IDEAS: Values are important to people and influence their actions.

Values differ from one person to another and in different situations.

Values develop in the home, church, school, and community.

Values influence the way one's money is spent.

Values are expressed through choices made.

Values help to determine goals.

Goals are something toward which one works.

Goals are either short-term or long-term.

Family goals affect the way families spend money.

Realistic goals are more likely to be met.

WHAT'S IMPORTANT?
(Handout)

Values are our beliefs in what is important, good and beautiful.

Directions: List ten items which you own and would not like to do without.
To the right of each item, list the value which you think it shows.

ITEM	VALUE
1.	1.
2.	2.
3.	3.
4.	4.
5.	5.
6.	6.
7.	7.
8.	8.
9.	9.
10.	10.

VALUES
(Case Studies)

Families and Their Values

The Garden Grove Housing Units are located in the northern part of a middle-sized city in Texas. Three families, the Washingtons, the Lopezes, and the Millers, all live in this unit and have approximately the same incomes. Their housing and food expenses are similar. However, their other expenses vary considerably.

The Washingtons own a color TV set, often go for short drives on the weekends, and attend many football and basketball games. Jimmy Washington has poor teeth but there seldom seems to be enough money for dental bills. The family seldom buys any furnishings for the home and have no savings.

The Lopezes have a small savings account to which they try to add money monthly so their son can go to school and study electronics at a technical school when he finishes high school. They are now buying a set of reference books on the installment plan for the younger children in the family. They have a black and white TV set and spend many evenings watching TV programs. The Lopezes would like a new rug, but at the present cannot afford one.

The Millers like to fix things, so they spend a great deal of time refinishing inexpensive pieces of furniture and have just finished painting their apartment. Their most recent purchase was a new chair for the living room. Susie Miller wants a tennis racquet for the next tennis meet, so the family is trying to figure out how they can afford this. After they make their contribution to the church this week, there will be little money left until the next paycheck.

$500 Supermarket Sweepstakes

Amy and Frank have received a check for $500 after winning a supermarket sweepstakes. Amy discusses the prize money with her three friends--Terri, Brenda, and Melinda. Amy admits that she and Frank cannot agree on how to spend the money, so she asks for their advice.

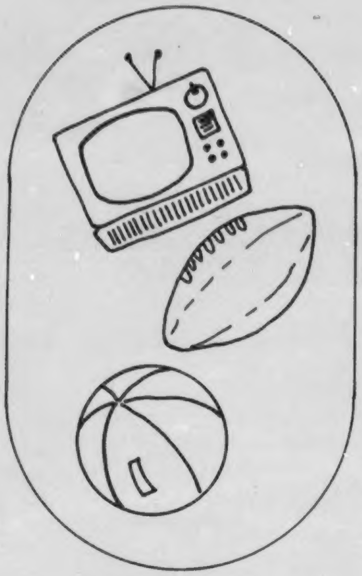
Terri feels Amy should spend the money on new furniture. Terri knows Frank just got a new job so the couple will be entertaining more often. Terri also thinks that Frank's new boss would not be impressed by the couple's old furniture.

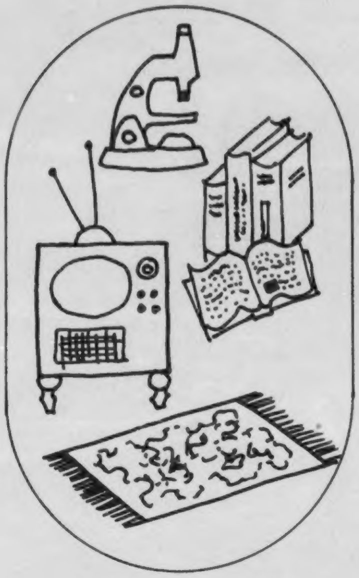
Brenda thinks that Amy should spend half the money on maternity clothes she has been wanting. Brenda feels she should buy them because it will be her only chance to purchase the variety of maternity clothes she would like to have. Brenda says Amy should give Frank the remaining $250 to spend on something he could not buy otherwise.

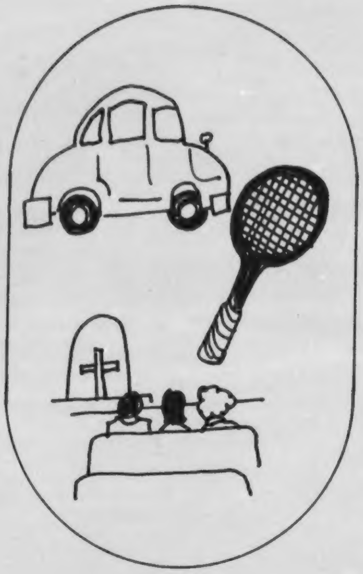
Melinda thinks Amy and Frank should save the money. Melinda knows Amy is pregnant and will want to begin a savings account for the child's education. Melinda knows that the bank interest on the money will help with the cost of education.

VALUES

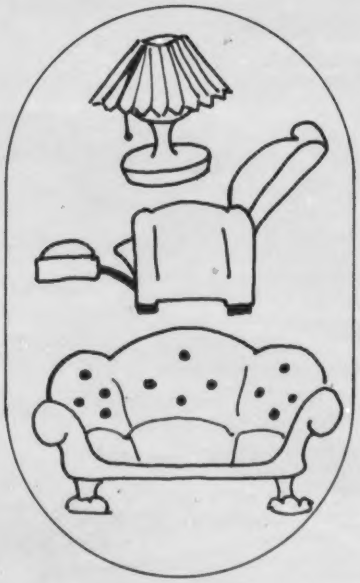
(CASE STUDY POSTER)

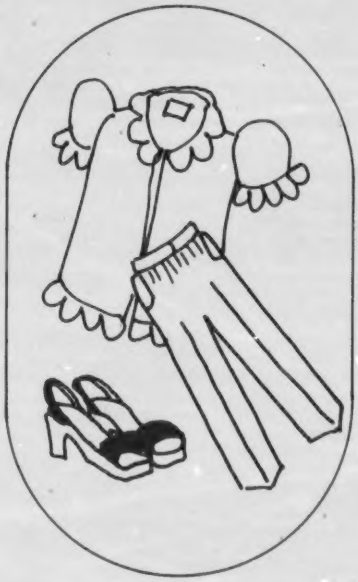


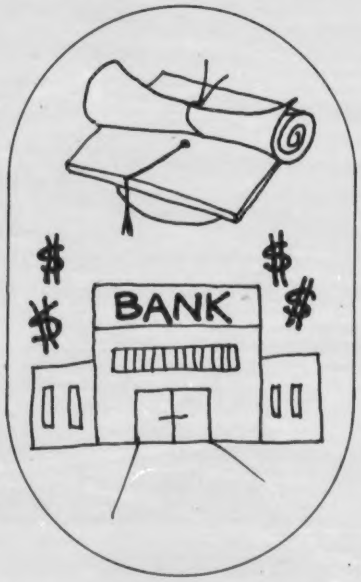




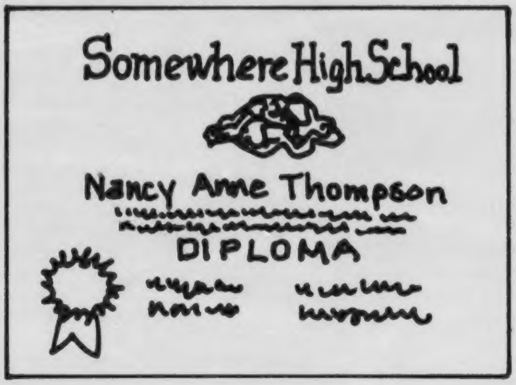
PEOPLE HAVE DIFFERENT IDEAS
ABOUT WHAT IS IMPORTANT



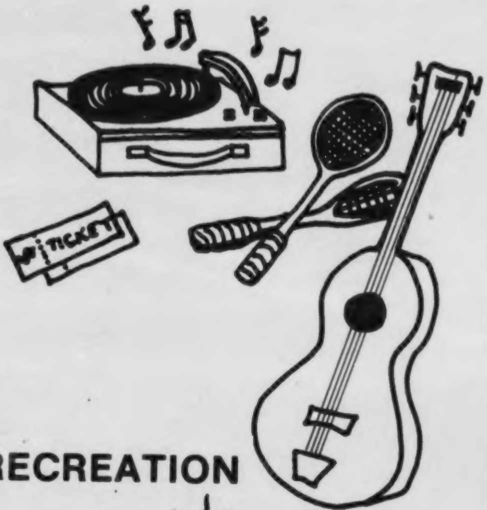




POSTER


Somewhere High School
Nancy Anne Thompson
DIPLOMA

EDUCATION

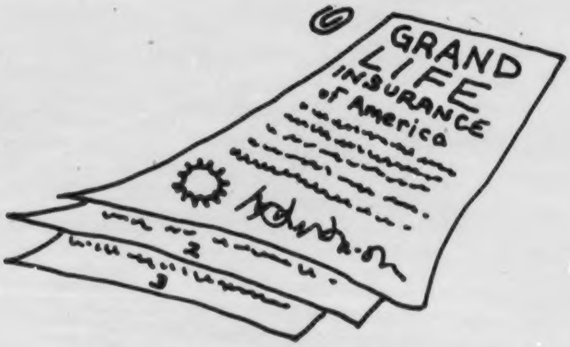


RECREATION

RELIGION

HOME

HEALTH

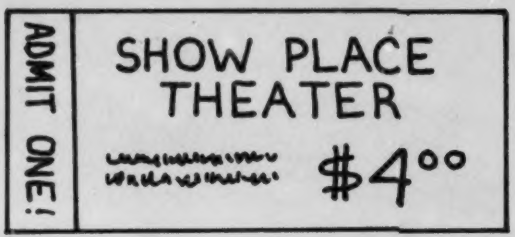

GRAND LIFE INSURANCE of America
2
3

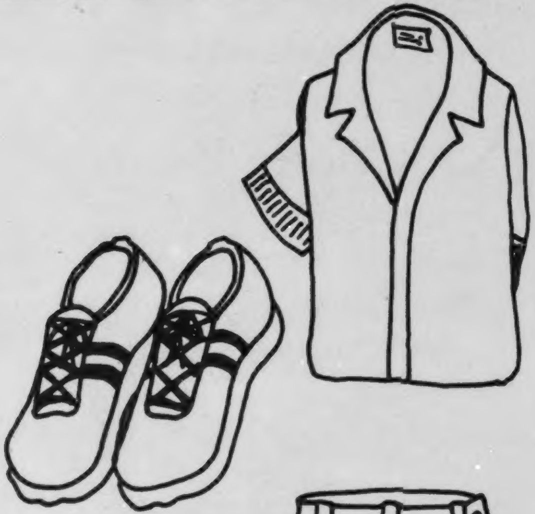
SECURITY

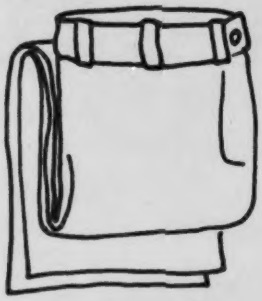
GOALS

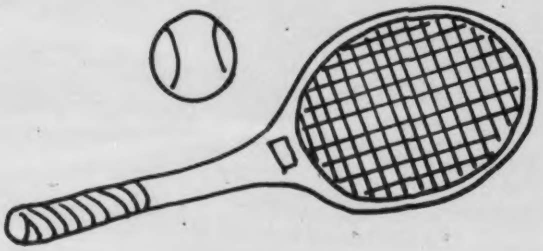
(Poster)

SHORT TERM

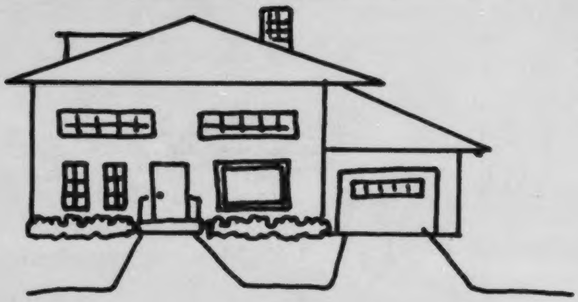

ADMIT ONE!
SHOW PLACE THEATER
$4⁰⁰

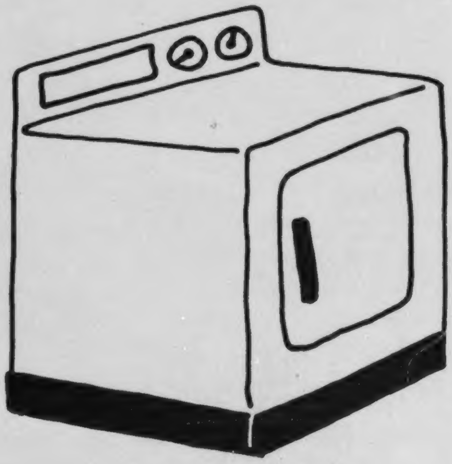


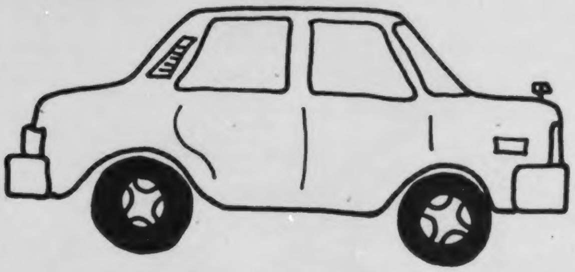


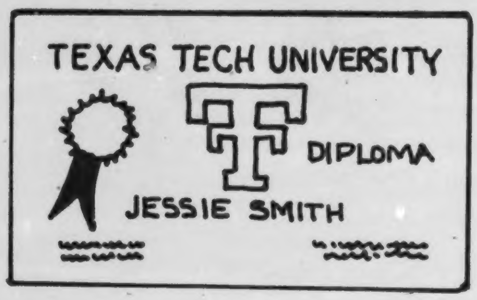


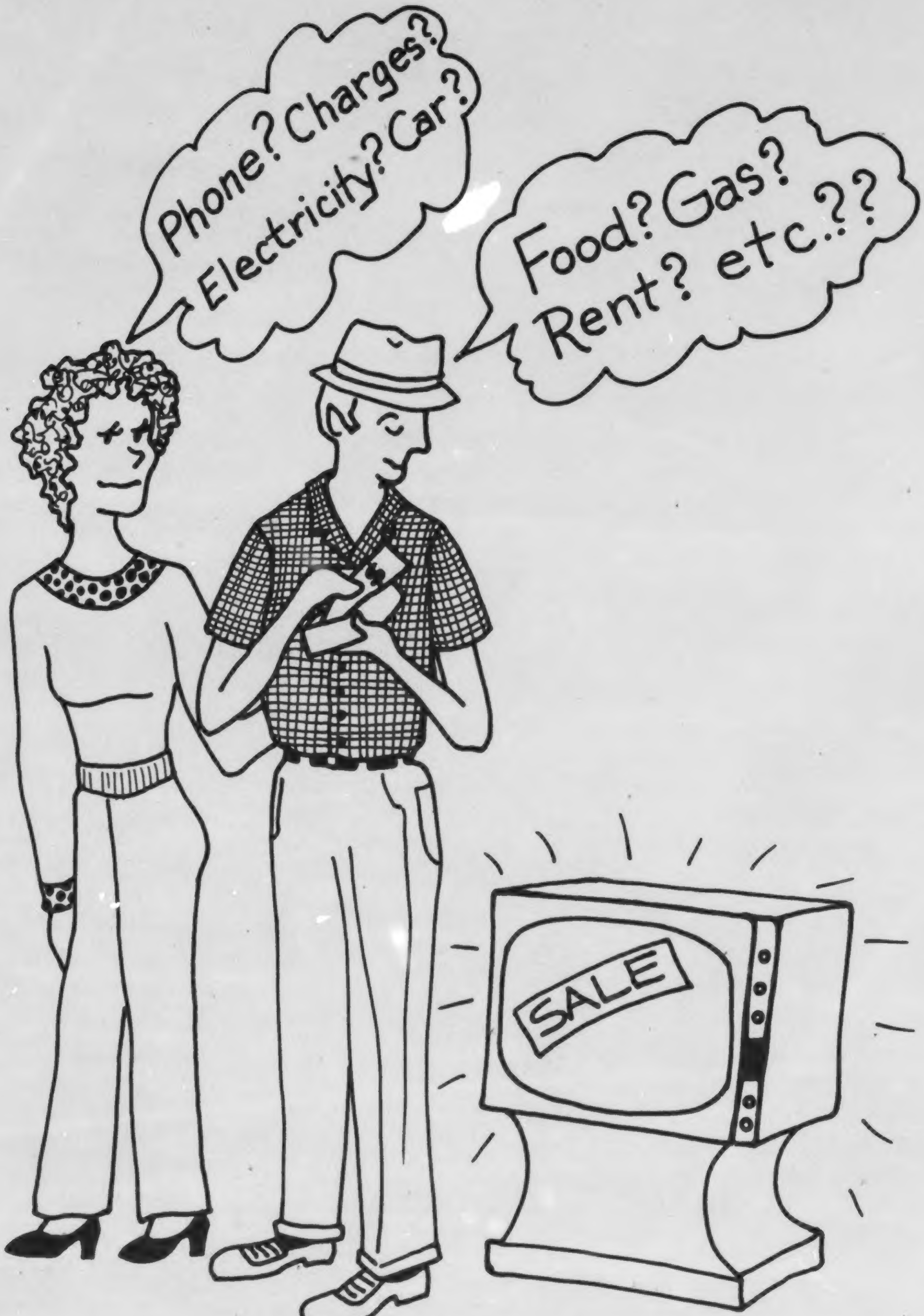
LONG TERM








TEXAS TECH UNIVERSITY
DIPLOMA
JESSIE SMITH


Phone? Charges?
Electricity? Car?
Food? Gas?
Rent? etc.??
SALE

VALUES AND GOALS
(Chart)

Directions: What are your definitions of values and goals? Think about your own values and goals. In the second column, list five values you hold. Next to each value name a short term goal and/or a long term goal you have for each value. In the first column, number the values you listed from most important to least important. Be prepared to share with the class why you chose each value and goal.

I Order of Importance	II Values	III Goals
	1.	Short term Long term
	2.	Short term Long term
	3.	Short term Long term
	4.	Short term Long term
	5.	Short term Long term

UNIT I: DECISION-MAKING

I-2: Needs and Wants

OBJECTIVES:

- Define a need
- Define a want
- Give examples of needs and wants
- Point out the reason for meeting needs before wants
- Identify stages in the family life cycle
- Discover items most needed by families at different stages in the life cycle
- Compile a list of needs and wants of own family

VOCABULARY: needs, wants, family life cycle

We spend our money in many different ways. Some of the things we buy are items our families must have in order to live and to carry out daily activities, such as food to eat and clothes to wear to work. These things are called needs. Other things we spend money for are items we would like to have and which we think will make life more enjoyable, such as tickets for movies or sports events, or radios. These items are called wants.

[Distribute the pictures prepared for use with flannel board (p. 42). Ask participants to look at their pictures and decide whether they are needs or wants for most families and then place them on the flannel board. Let all participants place pictures on flannel board at once to avoid any embarrassment.] After the items are in place, ask:

Would you agree with the placement of the items?
What are the main needs of most families?
Are there others not shown here?
Do you think the needs of all members of this group are the same?
Why or why not?

Family Needs and Wants

Our needs differ somewhat from one family to another depending on size of family, age and health of family members, and other family circumstances. For example, a family with a car may not need money for bus fare to get to work, on the other hand a large family with several people going to work at the same time might have to have money for bus fare to get to work. A family with a child in poor health would need more money for doctor bills than a family with healthy children. A family with only one child would probably not need a three bedroom house, but a larger family would.

Most families find that they must make choices about what they spend their money for. It is a good idea to set aside money to take care of needs first. Then, if there is money left over, it can be used for things the family wants.

Our needs differ somewhat from one family to another. The main factors that affect a family's needs and wants and their ability to meet them are listed below.

1) Family size and ages of family members
2) Health
3) Education
4) Experience
5) Jobs
6) Income
7) Resources
8) Interests
9) Residence
10) Community faciliites

Family Life Cycle

Your family may be in more than one stage of the family life cycle at the same time. For example, if your family is large it might be in the expanding and launching stages at the same time. Some families never have children, so they would not follow this pattern. Some people marry persons who have been married before and who may already have children from a previous marriage. Thus they may skip the beginning stage. However, despite the fact that these stages do not fit all families, they do fit many families. Therefore, it provides a useful way to look at family spending.

The stages in the family life cycle also cause needs to be different from time to time in the same family.

[Use transparencies of the family life cycle (pp. 43-45) to explain each stage.]

Beginning: Composed of the newly married couple and lasts until the birth of the first child.

Expanding: Begins with the arrival of a child and lasts until the oldest child reaches adolescence.

Launching: Starts when the first child reaches adolescence and ends with the marriage of the last child.

Middle Age: Consists of husband and wife.

Old Age: Starts with retirement of family wage earner(s).

Unattached Adults: Consists of one adult person.

[Ask participants to place pictures of families representing each stage on the left side of the flannel board (p. 46). Find pictures in magazines, newspapers, etc.]

[Hold pictures or words of the items listed in the right hand column of the flannel board and ask the following questions.]

At what stage(s) of the family cycle would this probably be most necessary?
When would the amount of money spent for this be highest?

[Summarize, using transparency (p. 45).]

Most families find that they must make choices about what they spend their money for. It is a good idea to set aside money to take care of family needs first. Then, if there is money left over, it can be used for things the family wants. Sometimes members of the family want different things and a choice must be made. When this happens, wants which will benefit the entire family may need to come before want of an individual in the family.

[Divide participants into small groups and distribute unfinished stories (p. 47) to each group or read stories to entire group.] Ask them to:

1) identify the needs
2) identify the wants
3) decide how the money should be spent
4) give reasons for their decision
5) tell what other choices the family might have

APPLICATION: Make a list of your family's needs and wants which involve money. Put first the items you think are most important and then discuss them with your family and see if they agree.

KEY IDEAS: Family needs and wants vary from one family to another.

Plan to meet family needs before meeting family wants.

Family needs and wants change with the stages in the family life cycle.

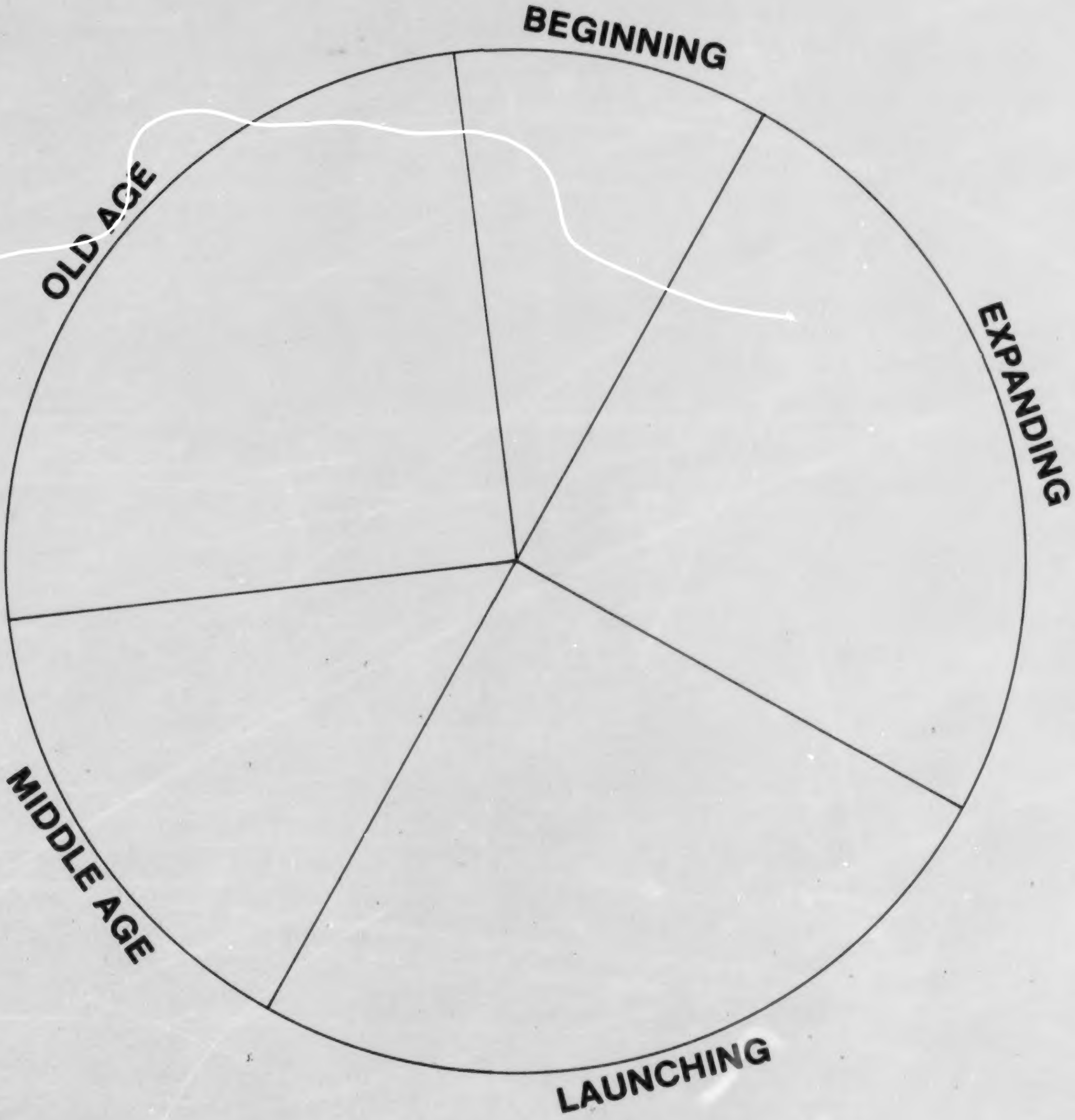
Family needs and wants often take priority over individual needs and wants.

NEEDS AND WANTS
(Flannel Board)

Directions: Find or sketch illustrations of the items listed below or similar items. Glue a small piece of flannel to the back of each illustration. Prepare a flannel board. Place the words "Needs" and "Wants" on the board as shown below. Distribute the illustrations to the group for practice in identifying needs and wants.

NEEDS	WANTS
Food	Television
Clothing	Radio
Rent or house payment	Fashion garment
Transportation	Tape deck
Electricity	Camera
Water	Gun
Medical care	Fishing equipment
School supplies	Movie tickets
Laundry	Make-up
Furniture	Pocket knife
Insurance	Wig

FAMILY LIFE CYCLE
(FLANNEL BOARD OR TRANSPARENCY)


BEGINNING
EXPANDING
LAUNCHING
MIDDLE AGE
OLD AGE

CHARACTERISTICS OF EACH STAGE
(Overlay)

Childbearing
Starting a Home

Retirement

Birth of Child
Grade School
High School
College

Husband and Wife Alone

Adolescence
Children Leave

MAJOR EXPENSES OF EACH STAGE

Living Quarters
Furniture
Child birth
Household Equipment
& Supplies

Living Quarters
Medical Care
Funeral

Infant Care
Children's Clothing
School Expenses
College Expenses
Buying a Home
Food
Insurance

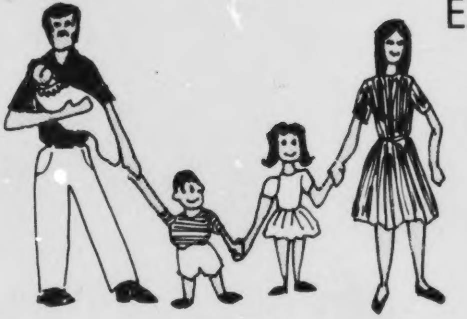
Medical Expenses
Care of Parents
Insurance Premiums
Entertainment
Home Maintenance

School Expenses
Wedding Expenses
Clothing
Food

Stages in Family Life Cycle

BEGINNING

- Furniture
- Household utensils
- Silverware
- Dishes



EXPANDING

- Baby bed
- Medical expenses
- Maternity clothes
- Play equipment
- Furniture
- House or larger apartment
- Children's clothing
- Food
- School supplies
- Insurance premiums

LAUNCHING

- Education expenses
- Clothing
- Food
- Wedding expenses
- Savings for Retirement

MIDDLE AGE

- Medical expenses
- Care of parents
- Replace household items
- Insurance premiums
- Savings for Retirement

OLD AGE

- Medical care
- Funerals

NEEDS AND WANTS
(Unfinished Stories)

The Gonzaleses

Mr. and Mrs. Gonzales and their five children live in an apartment complex. The children are 5, 7, 10, 12, and 15 years of age. The apartment has washer/dryer connections, but the family does their laundry at a laundromat because they do not own a washing machine. The laundromat is a mile from the apartment complex. The laundry must be done after the Gonzaleses get home from work at 6 p.m. or on Sunday. In the evenings family members are tired and everyone complains about going to the laundromat. To make doing the laundry easier, the Gonzales family has been saving money for a down payment on a washing machine. They have $75.00 for the down payment. Now they are ready to start looking at machines.

School is out. The children are eager to begin summer activities. Ramon, age 12, has asked for a new baseball and bat which cost $12.00. Julia, 15, wants a catcher's mitt so she can play on a softball team. The only extra money the family has this month is the $75.00 they have saved for the washing machine.

What should they do?

The Wades

Mr. and Mrs. Wade have three children, ages 10, 13, and 15. The family wants a new television since the one they have does not work very well. The entire family likes to watch TV, especially sports events. Connie, the 15-year-old, has decided she wants a skateboard and has asked for the money. Bruce, the 10-year-old, needs tennis shoes for his gym class. He also has asked his parents for a new bicycle. The school nurse has said Dave needs glasses because he has trouble seeing the blackboard. After figuring their essential expenses for the month (food, rent, etc.), the Wades have $60.00 left.

How should they use the $60.00?
In what order might the above items be bought?

UNIT I: DECISION-MAKING
I-3: Resources

OBJECTIVES:

- Identify resources helpful in meeting needs and wants
- Give examples of personal resources
- Explain resources available at different family life stages
- Present resources to use in various situations

VOCABULARY:

human resources	skills
energy	time
knowledge	non-human resources
purchasing power	material resources

In the last session we identified some of our needs and wants. In order to meet these needs and wants we use our resources. Different families have different resources. You have your own unique set of resources.[Use bulletin board (p. 52)] Wise use of resources will help your family's money go further.

Resources can be divided into two types [Use visuals (pp. 53-55).]:

Human resources
Non-human resources

Human Resources

Included in human resources are skills, abilities, time, knowledge, energy, interests, services, do-it-yourself projects, children's help, neighbor's help, community services, and care and repair of things you own. Many of your resources can be combined to help meet needs and wants. [Discuss each human resource in detail and suggest ways in which resources can supplement each other. Refer to the family life cycle chart in the previous lesson. For example, in the beginning stage, if money is tight, do-it-yourself projects such as making quilts or toys could bring in extra income. Use the following questions to prompt discussion. Divide the class into groups. Give each group one of the human resources. Let them present the answers to the questions through a skit, role play, sociodrama, or debate.]

Energy is having the power, being able to be active, or having strength and mind to do things or to work.
When in the family life cycle do husband and wife probably have the most energy? (Beginning, expanding) the least? (Old age)
What resources might be used to conserve energy? (Services, money, knowledge of management skills)
How could other family members help?

Knowledge is something learned, but it is also information that is kept in mind for present or later use.
How could knowledge help a family save money? (Planning of purchases, wise buying practices, proper use and care of durable goods)
How could knowledge help a family save time and energy? (Efficient scheduling of activities)
How can you make the best of resources? (Wise buying practices)

Purchasing power is how much a person is able to buy according to how much money they make.
How is purchasing power affected by the other resources? (Little time to shop or little energy may cause one not to make best buy; limited knowledge about credit and limited shopping skills may result in poor buys)

Skills are the ability to do something that comes from training or practice.
What skills might help a family save money? (Fixing and repairing household items; repairing, altering, and mending clothing; food preparation skills; housekeeping skills)

Time is how long an activity takes.
When in the family life cycle do family members have the most time? (Beginning especially if one partner is not working, and old age)
How could time be spent to acquire or increase other resources? (Seek employment, learn to sew, learn to shop wisely, make accessories for home, etc.)
When do the husband and wife have the least time? (Expanding)
What resources might be used instead of time when it is limited? (Children's help, ability to manage, knowledge about when and where to shop)

Non-human Resources

Non-human resources are available goods, services, and materials, such as money, credit cards, washing machine, and automobile. These resources are sometimes thought of as material resources.

[Let each participant draw from a hat a picture of something a family might need or want. Ask participants to think of ways to obtain the items without using money.]

Different forms or combinations of resources can sometimes be used to meet the same need or want. For example, suppose your child needed a garment to wear to a school party. The following resources or combinations of resources might be possibilities:

Money--Buy the garment.
Time, skill, money--Make the garment.
Time, skill--Alter a sibling's garment.
Time, services--Ask a neighbor who sews to make the garment and return the favor.

In all four situations the want is satisfied, i.e., the child has a garment to wear. Thus, different resources or combinations of resources can be used to reach the same goals.

[Divide participants into small groups and give each group one of the following situations in which a need or want is to be satisfied. Let them suggest different resources which could be used.]

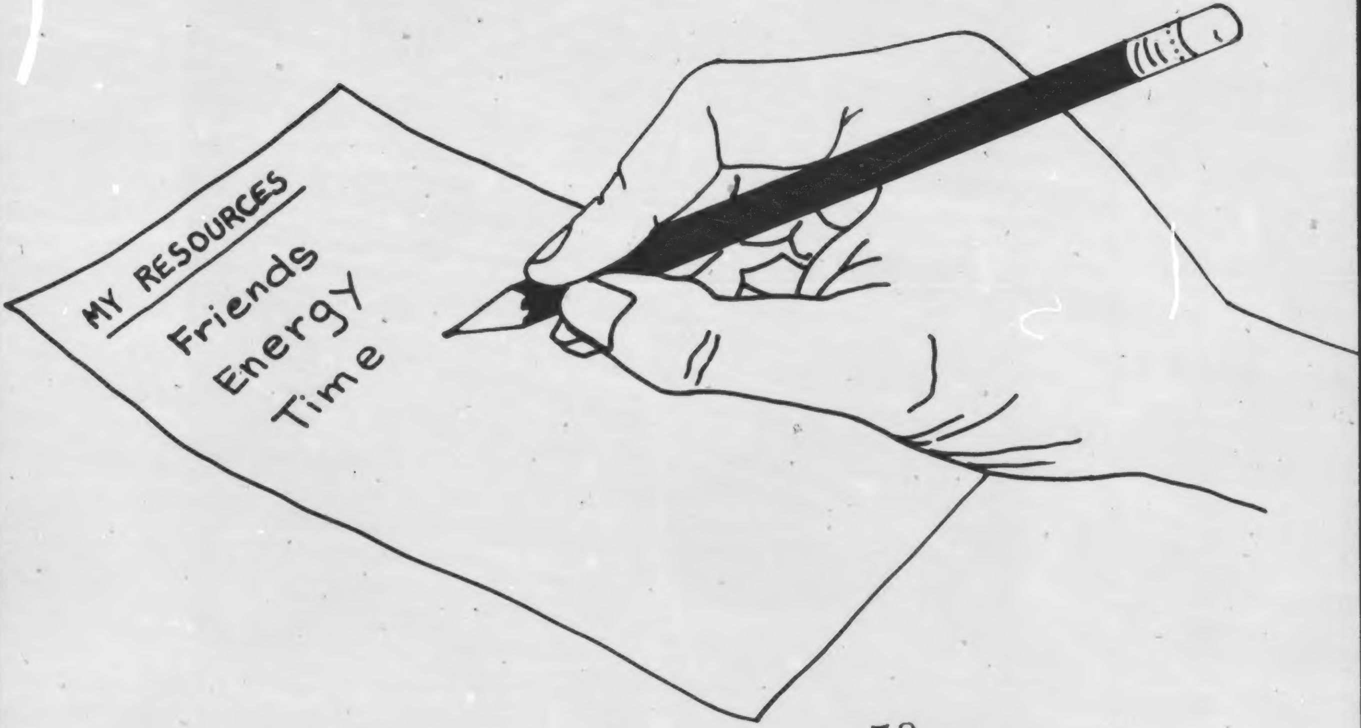
Food and present for a daughter's birthday.
Transportation to school or work.
A stereo for family enjoyment.

[Show instant slides (p. 56) or make sketches of ways in which use of skills can be a resource and reduce the amount of material resources necessary. Allow participants to make the slides or sketches.]

Learning to recognize available resources can make you successful now and in later years. Use your resources for a better, more satisfying life-style.

APPLICATION:	Sketch or write words to show your personal resources on the handout entitled Our Family Resources (p. 57).
KEY IDEAS:	Human and non-human resources can be used to meet needs and wants.
	Resources available to families vary with the family and situation.
	Different stages in the family life cycle require different resources.
	Development of skills can increase resources.
	Resources can be used in different forms and combinations.

My Resources

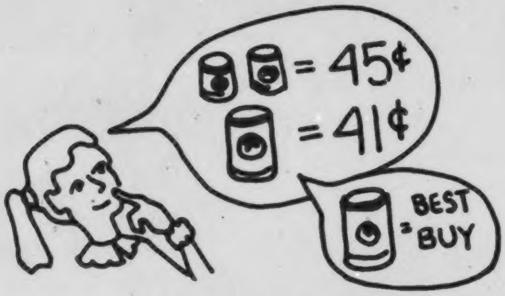

MY RESOURCES
Friends
Energy
Time

RESOURCES

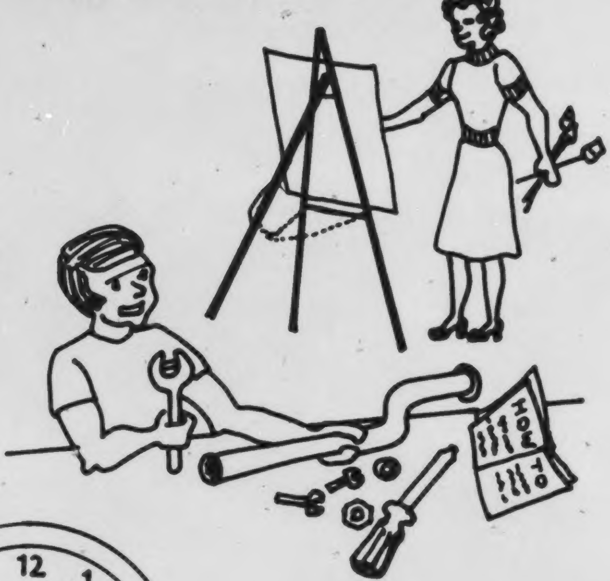
(Bulletin Board/Real Objects)

HUMAN	NON-HUMAN

HUMAN RESOURCES

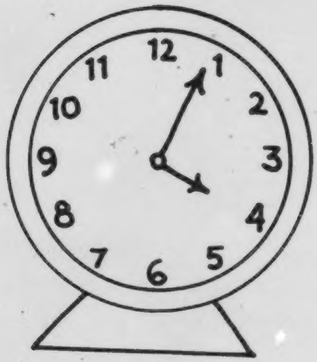

= 45¢
= 41¢
= BEST BUY

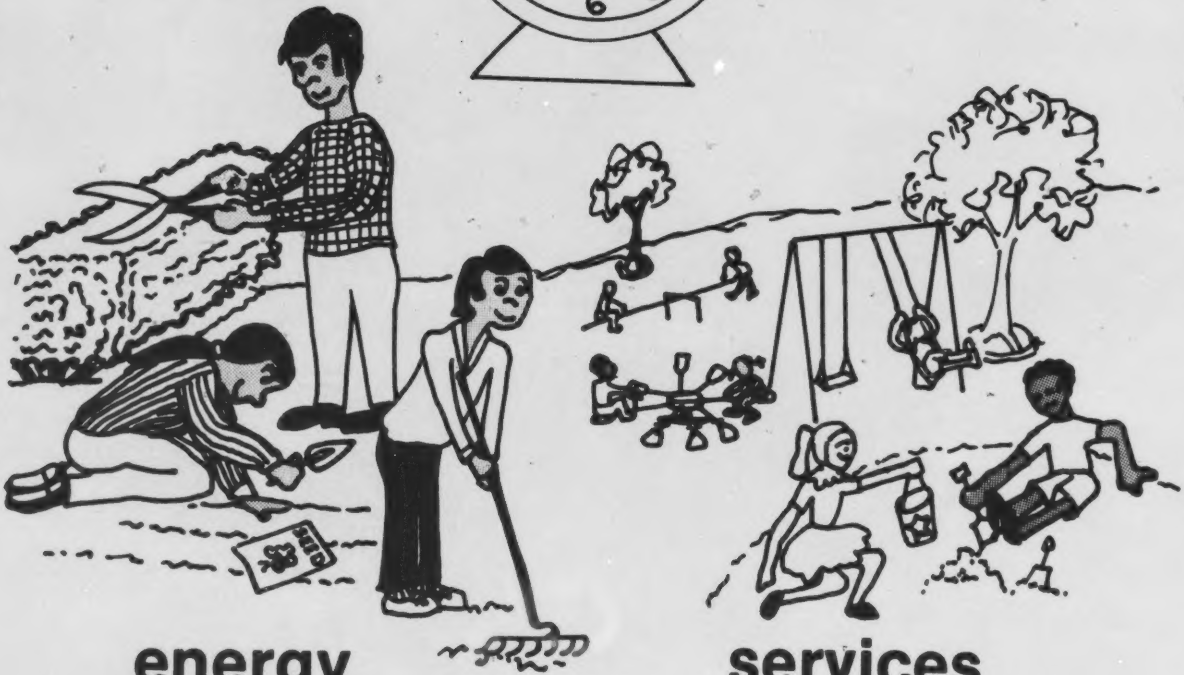
knowledge



skills & abilities

time


12
1
2
3
4
5
6
7
8
9
10
11



energy

services

OUR FAMILY RESOURCES
(Handout)

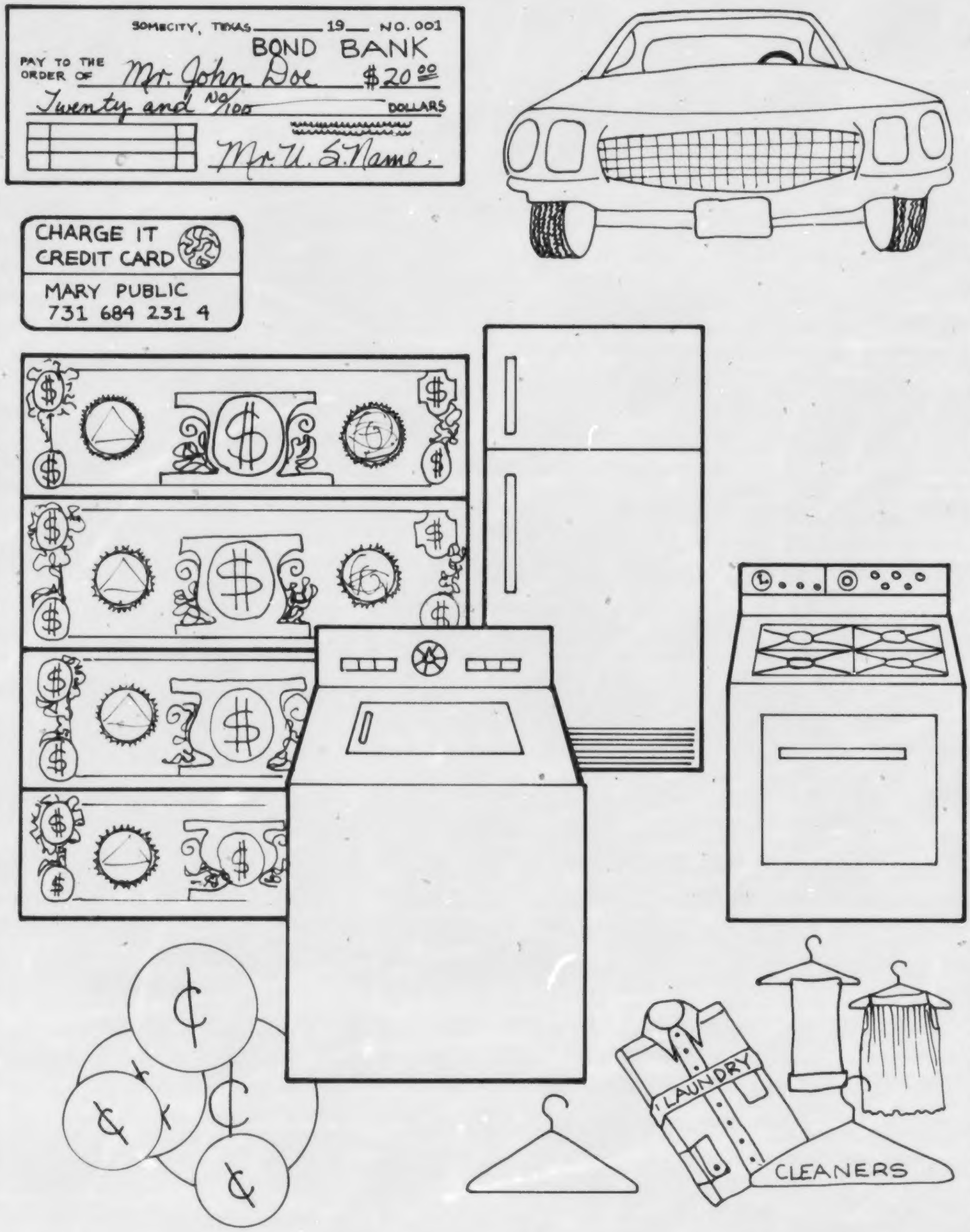
Directions: Circle resources available to your family. Write down or sketch any special ones under each you consider important.

MONEY Wages Social security Unemployment benefits Disability insurance Veterans benefits Savings Food stamps	CREDIT Charge accounts Bank loans	SERVICES Government aid Utilities Legal aid Job Community agencies (police, fire, etc.) Church
COMMUNITY Recreation centers Parks Lakes Better Business Bureau	INSURANCE Life Health Medicaid Medicare Automobile Home	ABILITIES Speak a second language Dancing Singing Natural talents
KNOWLEDGE Family money management History Children Mathematics	SKILLS Carpentry Clothes design or construction Electrician Cooking	ENERGY Strength Good health Sharpness Liveliness
TIME Leisure Work School Family gatherings Individual	INTERESTS Business Art Sewing Sports Reading	

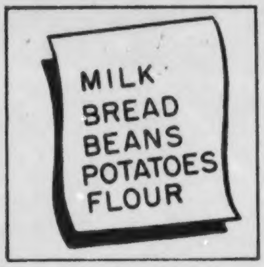
NONHUMAN RESOURCES

Purchasing Power

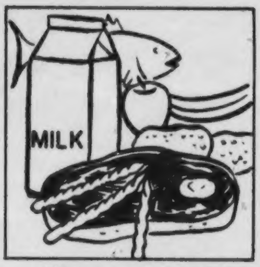
Available Goods and Services


SOMECITY, TEXAS ____ 19__ NO. 001
BOND BANK
PAY TO THE ORDER OF Mr. John Doe $20.00
Twenty and no/100 DOLLARS
Mr. U. S. Name
CHARGE IT
CREDIT CARD
MARY PUBLIC
731 684 231 4
LAUNDRY
CLEANERS

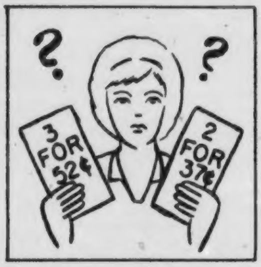
SKILLS AS RESOURCES
(Instant Slides 2x2)


MILK
BREAD
BEANS
POTATOES
FLOUR

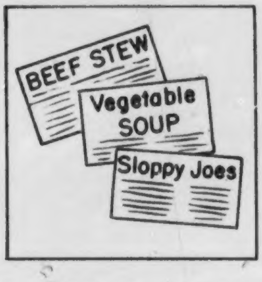
1. Make a list



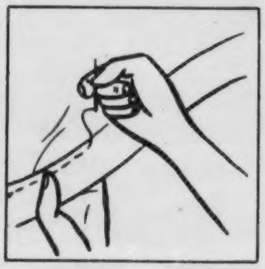
2. Plan nutritious meals


?
?
3 FOR 52¢
2 FOR 37¢

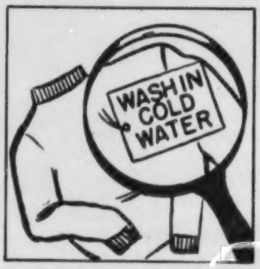
3. Buy at lowest cost


BEEF STEW
Vegetable SOUP
Sloppy Joes

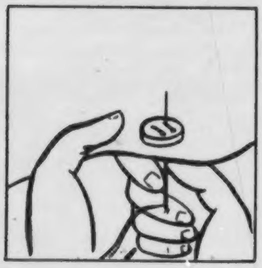
4. Prepare inexpensive foods



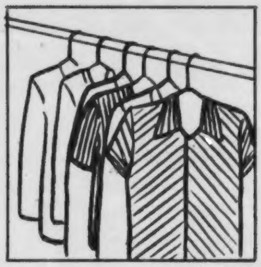
5. Learn to make alterations


WASH IN COLD WATER

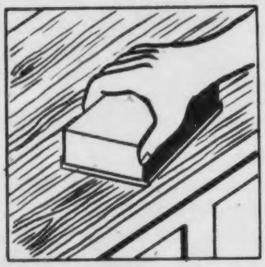
6. Read labels and follow instructions



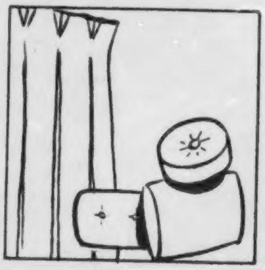
7. Mend clothes promptly



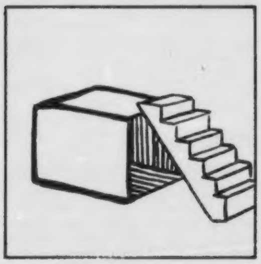
8. Press and store clothing properly



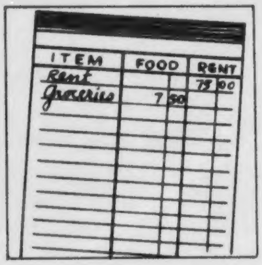
9. Learn to refinish furniture



10. Learn to make accessories



11. Make toys for children


ITEM
FOOD
RENT
Rent
Groceries
75 00
7 50

12. Keep a record of expenses

UNIT I: DECISION MAKING
I-4: Decisions

OBJECTIVES:

- Define decision making process
- Suggest factors that influence how a decision is made
- Explain the steps in the decision making process
- Apply decision making process in a specific situation
- Analyze factors which influence decisions
- Determine cause and effect relationship of financial decisions

VOCABULARY:
- consumer choice
- alternatives
- decision making process
- universal
- interrelated
- personal

There are many factors involved in making decisions for ourselves as well as decisions made as a family. Making decisions, or choices, ranges from easy to difficult. Everyday we must make hundreds of decisions, and because of new ideas and inventions our decisions are becoming more difficult to make. What are some of the things we have discussed in previous lessons which would affect the decisions a family makes about spending money? (Values, goals, needs, wants, stage in family life cycle, family resources.)

Consumer Choices

Making a decision means choosing between two or more alternatives. Alternatives means having a chance to choose between two things. Choosing from different alternatives is not easy to do. There are so many items each person in a family needs and wants, and only the very rich have the personal resources to buy everything their families need and want. Think about some consumer choices facing consumers:

1) Do you spend or save your money?
2) How do you choose between two products that are alike?
3) How do you choose between two products that are different?
4) Should you pay cash or buy on credit?
5) How mnch should you buy?
6) Where should you shop?
7) Do you buy now or wait until later?

Decisions on these choices are usually made freely by each of us, but if you combined all the consumer decisions made on these choices, you as consumers should know that together these choices influence what is produced in our country. For this reason, your decisions should be made carefully rather than by impulse or habit. By careful decision making, each of us could get the most from our incomes.

Decision Making Process

The process of careful decision making is important if family goals are to be reached with the resources available to you. The decision making process is when you carefully compare benefits and costs of alternatives before you make a decision. Careful decision making involves several well-defined steps. The steps are as follows: [View transparency (p. 63) to clarify steps.]

1) Identify the problem. (Know what the main concerns in making the decision are)
2) Identify values and goals. (Set priorities or preferences, based on what is important to you)
3) Seek alternatives. (Look at all the choices open to you, even those that may seem to be out of the ordinary)
4) Compare alternatives. (Know the costs and benefits of each choice, and look at the advantages and disadvantages of each choice)
5) Make a decision. (Choose the best alternative in light of your values and goals)
6) Accept responsibility. (You have made the decision by using these steps and you must accept any outcome that is caused by your decision)

[Go through the decision making process with the story, The Young Family Makes a Decision, (pp. 64-66).]

What does, "decision making is not easy," mean to you?

Family Decision Making

[Use the game, Your Choice, (p. 67) to help participants recognize decisions. As you move from group to group while they are using the game, help participants see the relationship between values, needs, wants, and family resources and the decisions that are made about what to buy. Point out that recognizing one's values and setting goals can help one plan spending so that those goals are met. If you feel participants would prefer not to reveal their decisions to the group, another alternative would be to arrange the cards in certain sequences yourself and then discuss the implications of these arrangements with the class.]

[Use the cartoons (p. 68) to begin discussion on importance of cooperation between family members when planning how to spend money. Ask what they think is happening in each of the cartoons and what effect this would have on family relationships. Use the second cartoon to illustrate the idea that making financial decisions as a family can help to avoid the unhappy situations shown in the first cartoon.]

[Use skits 1 and 2 (pp. 69-70) on family decision making. After both skits have been given, begin the discussion with such questions as:]

In the first situation how did the family make decision about their spending? What was the result?
How did the family make decisions in the second situation? What was the result?
What connection does there seem to be between the way decisions are made about spending and the way family members get along?

Families and individuals have different ways of living with or handling their money. Although no one way is right for all persons, there are some ways that give more satisfactory results than others. The result we aim for is to be able to reach family goals with the resources which are available.

Think about some of the ways people live with money:

Live from day to day--When we have money we spend it and then get along as best we can until we have some again.
Live from paycheck to paycheck--We use up all the money as we get it and by the next payday have nothing left, nothing to show for the money, and nothing that brings us closer to our goals.
Live "in the red"-----We spend more than we have by purchasing too many things on credit.
Live creatively-------We plan the use of our income and resouces so most of our goals can be met.

Decisions are: [Use transparency (p. 71).]

Universal--Everyone makes decisions about how to spend money. [Use transparency (p. 72).]

Interrelated--One decision affects another. Once a decision is made, it sets in motion a chain reaction of further decisions. Once a decision is made, many other smaller decisions must be made to carry it out. (Use transparency (p. 73).]

Personal--Decisions that are right for one family are not necessarily right for another family. [Use transparency (p. 74).]

We have said that "living creatively" with one's money meant that the use of income and resources was planned so goals could be met. This involves making decisions which are well thought through in regard to the way the money is to be spent. This process of careful decision making is important if family goals are to be reached with the resources which are available.

View and discuss the visual aid, "Making a Decision," (p. 75). Explain how one decision can affect another. Why is this fact important in the decision making process?

We talked earlier about the ways people live with money. Let's go back to this for a few minutes. How do you think the Youngs live with money? (Live creatively.)

Some people live from day to day. They may never identify their problems, their values, or their goals. They may not consider the possible solutions to their problems or make the best use of their resources. They may not look forward to see what might be the outcome of their spending. It is doubtful that they stop to evaluate the results of their day to day spending.

We also talked about people who live from paycheck to paycheck. These people get little more from their money than the first group and make many of the same mistakes in their decision making.

The third type family lives "in the red." It is likely that they would not be in debt all the time if they identified their values, set goals, and decided which goals were most important to them. They might also ask themselves whether they are making the best possible use of their resources.

Remember--the way your family makes decisions helps to determine which of these four ways you will live with your money. Wouldn't you rather your family live creatively with its money?

APPLICATION: Think of a decision you made today and identify the factors that influenced your decision. Share your decision with other participants. Discuss these questions: How did you arrive at these decisions? Were they based on past experiences, chance, a previous decision, habit, emotion, snap judgment, or some other factor? Give at least one example of a decision you have made that was based on each of these influences: habit, emotion, past experiences, and snap judgment. Classify the decisions of other participants according to these categories. What decisions were consciously made? What decisions were unconsciously made?

Fill out "Practice in Decision Making" (p. 76) to see if you can apply the decision making process to a problem given to you by your teacher. Compare your responses to those of other participants.

KEY IDEAS: Decision making is a daily process.

Many factors influence how a decision is made.

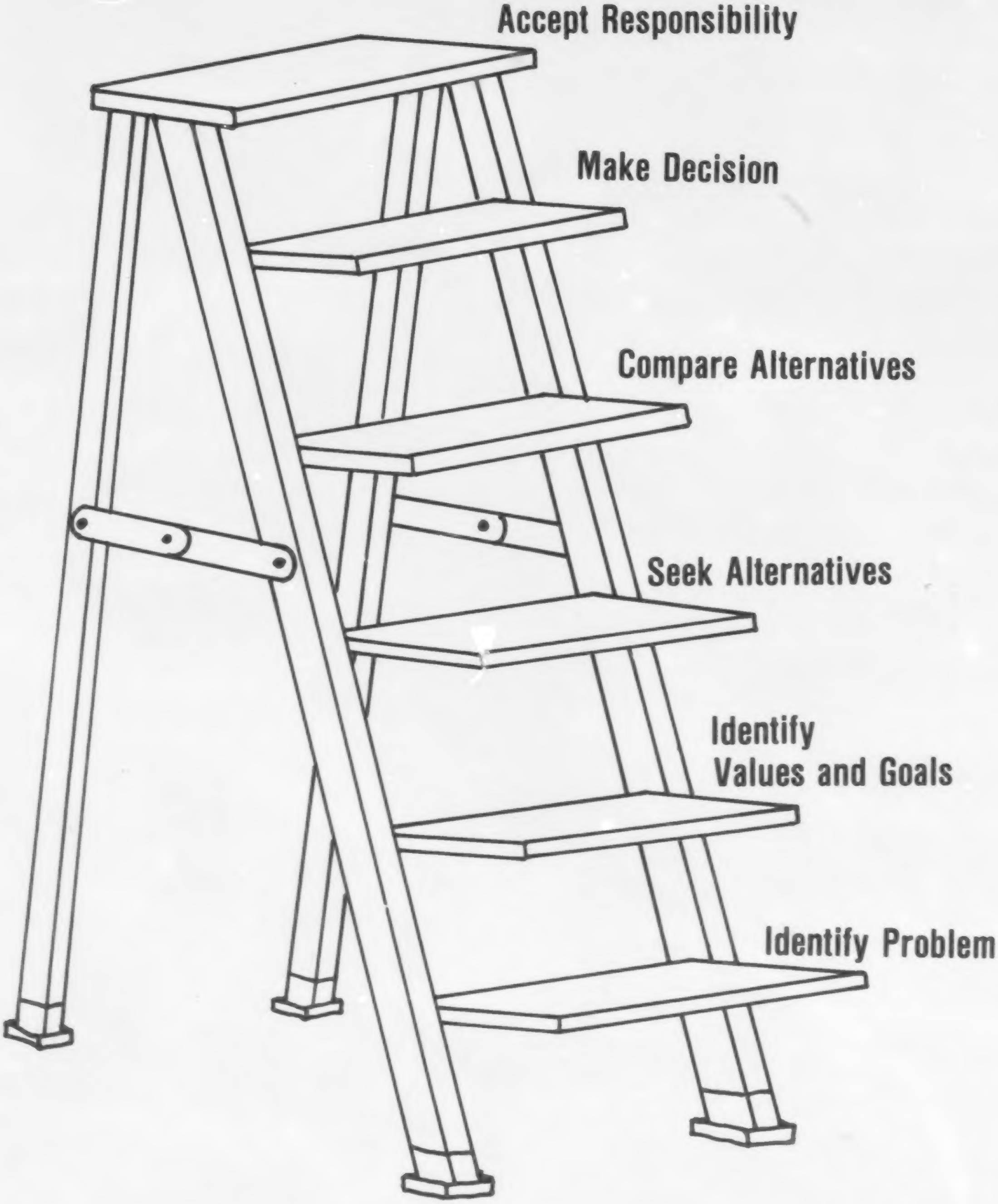
The decision making process consists of several steps.

Decisions are universal, interrelated, and personal.

One decision affects another.

Decision making is not always easy.

STEPS TO DECISION MAKING


Accept Responsibility
Make Decision
Compare Alternatives
Seek Alternatives
Identify
Values and Goals
Identify Problem

THE YOUNG FAMILY MAKES A DECISION

The Mike Young family never seem to stay at home. They spend a lot of time visiting neighbors, going to movies, going to lounges, skating, going to ballgames, and on and on. As a family they are seldom together, seldom have time to talk, and are frequently grouchy with one another. Finally, one day, Gina Young asked, "What's wrong with us? We never spend any time at home together!"

"I don't know, Gina, but what would we do if we stayed at home?" asked Mike.

"Well, we could..." said Gina, and then admitted she didn't know, either. The Youngs have recognized that they have a problem.

"Is it really important that we do things at home?" asked Mike.

"I think so," said Gina. "My family is important to me and I would like to spend time together, so we can really know one another."

"Come to think of it, I guess I haven't been too happy about not knowing what the kids are doing or who their friends are. I don't really enjoy going to movies or bowling by myself. I'd like to spend more time together as a family, too."

Now the Youngs have identified the values and goals involved. The value involved in the problem is family. Their goal is to spend more time together.

"What do other families do together?" asked Mike.

"Well, some families go on picnics, they share hobbies, watch TV, repair things around the house, play games, work puzzles, and lots of other things," replied Gina, after thinking awhile.

"I get it--things everybody can get involved in," said Mike, "Let's start thinking about some things we can do!"

As the Youngs talked further, they discovered many other things their family could do together. The Youngs have identified a number of possible solutions. However, the biggest thing they found was that in order to meet their goal, they would have to change their present way of living. To increase the resource of time at home, each family member would have to spend less time away from home. Instead of spending all their recreation money on activities away from home, they would have to reserve some for recreation at home. In addition, if the Youngs decided to take up some family hobbies, they might have to increase their skills so they could get the fullest enjoyment from them. The Youngs have taken a look at their resources to see which ones were available to help solve their problem.

Mike and Gina and their three children talked about the things they could do to spend more time together. They decided to look further into four of these solutions. The four possibilities included: buying a television set, refinishing furniture, gardening, and camping.

The Youngs then considered the possible outcomes of these four solutions. Here is what they learned:

If they purchased the television set now, they would have to buy it on credit and might not be able to get other things the family needed. Also, the family would not be reaching its goal entirely, because they really wanted to get to know one another. TV is mostly for listening and watching.

If the family decided on the hobby of refinishing furniture, they might not have the skills needed. It would cost money for equipment and supplies and for old furniture to refinish. However, the Youngs do need new furniture and refinishing it might be less expensive, so they could contribute to the beautification of their home, another goal. In addition, if the project was successful, the family might turn it into a part-time business and refinish furniture for friends and neighbors. This plan would give them an opportunity to get to know one another.

If the Youngs take up gardening as a hobby, they would have to find another project for winter months. They would need tools and skills for undertaking the project. Also the garden would have to be quite small because the Young's home is built on a very small lot. The extra cost of water might increase the expense. This project would also give the family a chance to talk to one another and to work together.

Camping is another warm-weather hobby. If the Youngs become camping enthusiasts, the expense for camping equipment could be high. It is also quite a distance to camp sites from where the Youngs live. It is something they could do together, however.

After considering these possible outcomes, the Youngs chose the alternative of refinishing furniture as a hobby. To put their plan into action, they set aside Saturday and Sunday afternoons. First, they would read books, collect pamphlets and talk to other people in order to gain the skills they needed. Next, they would go to garage sales, second hand stores, antique shops, etc., until they found a simple piece with which to begin their project. Then the family would work together to refinish the piece of furniture. Money would be set aside each week for tools and supplies.

One Year Later

A year later the Youngs are a different family. Let's listen as they take stock of the results of their project.

"Well, Gina, what do you think?" asked Mike as he put the finishing touches on the leg of a dining room chair.

"It's beautiful!" exclaimed Gina.

"Yes, it is!" chimed in the three children.

"And just think," said Mitch, "we did it all ourselves."

"It goes great with the drapes I made as my home project for homemaking class," said Danny.

"Now everybody has a chair that matches," remarked Amber.

"Yes, children," said Gina, "we've sure fixed up our house a lot this year, but it's been fun, hasn't it?"

"Yes," said Mitch, "I would never have taken a woodworking class if we hadn't decided on this as a hobby. And I wouldn't have gotten a summer job at Mr. Fraser's Cabinet Shop, either."

"And I didn't like sewing before," said Danny, "but now I can see something useful to do with it. Besides that, it's been fun, too!"

"I guess the thing I've enjoyed most," said Mike Young, "is getting to be with my family more. We've become closer this year than we had ever been before."

"And another good thing," said Amber, "we've saved enough money by refinishing furniture for other people that we can buy a TV this summer."

"Yes, we can," said Gina, "I think we all agree that we have reached our goal."

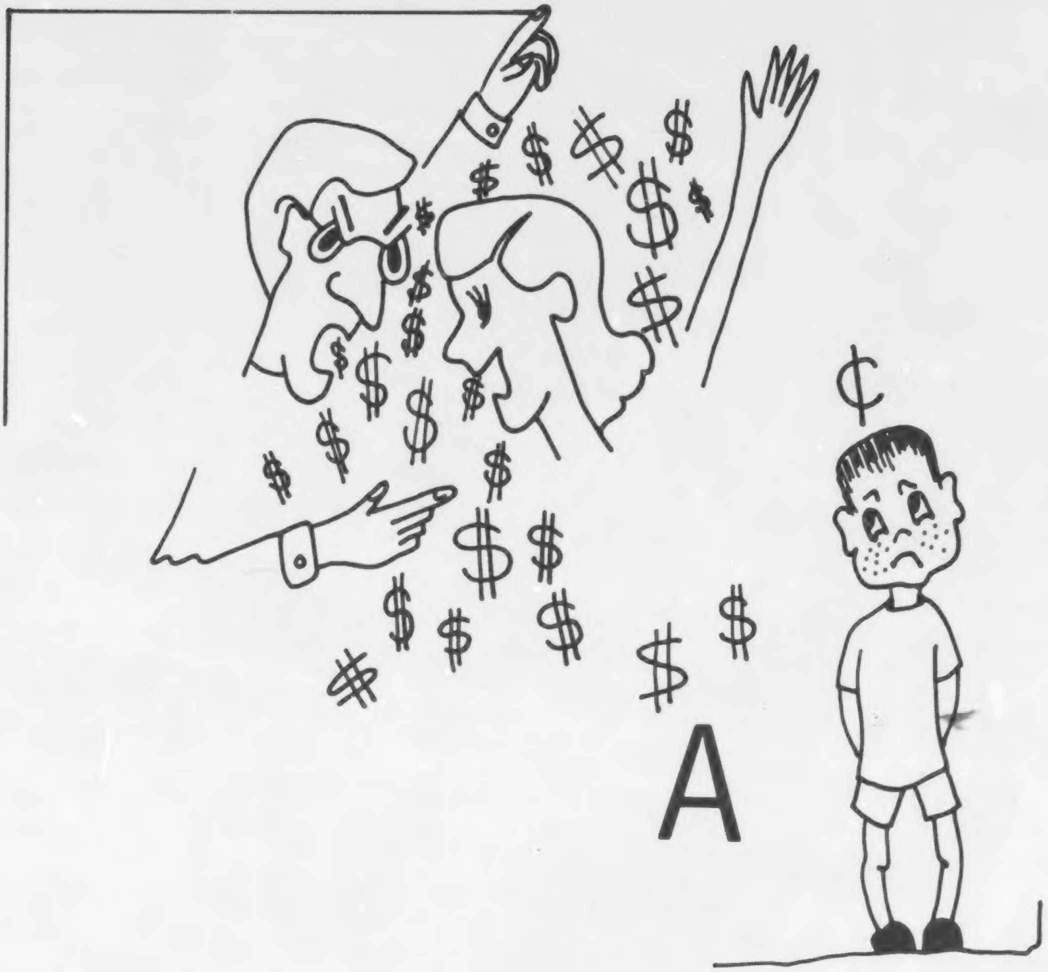
YOUR CHOICE
(Game)

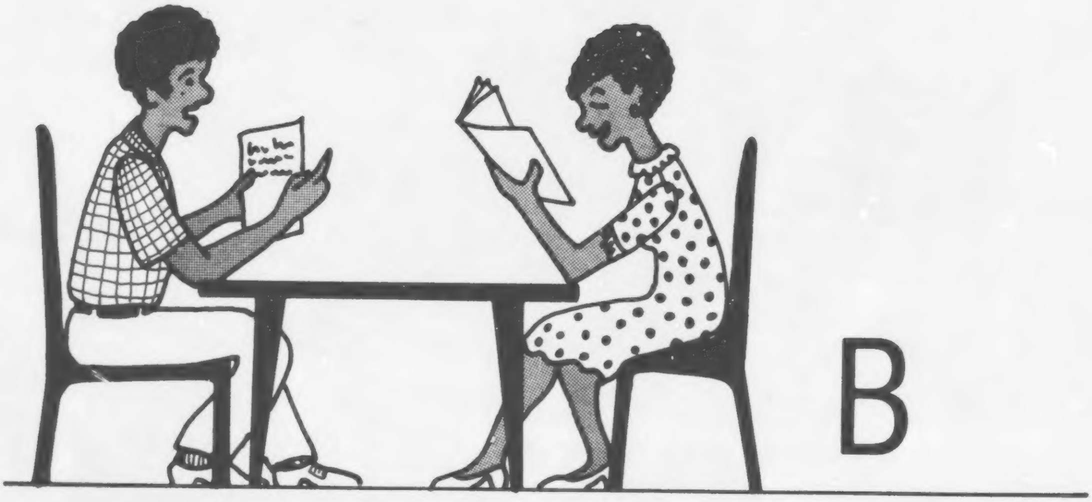
Prepare cards for use in the game by cutting out pictures from magazines or sketching items or writing the words of items participants might want to buy. The following items could be included:

1. Annual visit to doctor
2. Clothes
3. Soft drink or candy
4. College education for child
5. Dental check-up
6. Life insurance payment
7. Furniture
8. Payments on new car
9. Television
10. Toys for children
11.
12.
13.
14.
15.

Divide participants into groups of four or five members. Distribute equal numbers of cards (4-5 each) to participants. Direct each player to arrange cards in the order in which he/she would buy the items. Those he/she would not buy at all should be discarded. If another player would like to have an item on a card which has been discarded, she/he may pick up that card and add it to the cards in her/his hand. After each player has finished, the following questions could be raised:

> Why did you arrange them in the order you did? (Try to relate participants' answers to needs, wants, stages in family life cycle, and available resources.)
>
> Why did you discard an item?
>
> What values do your choices indicate?


A


B

SKIT #I
Where Did Our Money Go?

Characters: Mother
Father

Mother and father are seated in living room discussing financial situation.

Father: We are not going to have enough money to pay all our bills this month. Why on earth did you let that door-to-door salesperson talk you into buying that sewing machine? We don't have $10 a month for a payment.

Mother: Well, I thought it was a good buy and that I could save money by making some of the children's clothes. Besides, how was I to know you were going to get a tape deck for the car? If you had not done that, we would have been all right.

Father: So now it's my fault, is it? Well, what about the new sweater you got for John? He should have paid for that himself, but you let him waste his money on running around.

Mother: Is that so? You let Ann buy a transistor radio that she should have paid for with her baby-sitting money.

SKIT #II
A Compromise

Characters: Father
Mother
John, 16
Ann, 14

Family is seated in living room discussing financial matters.

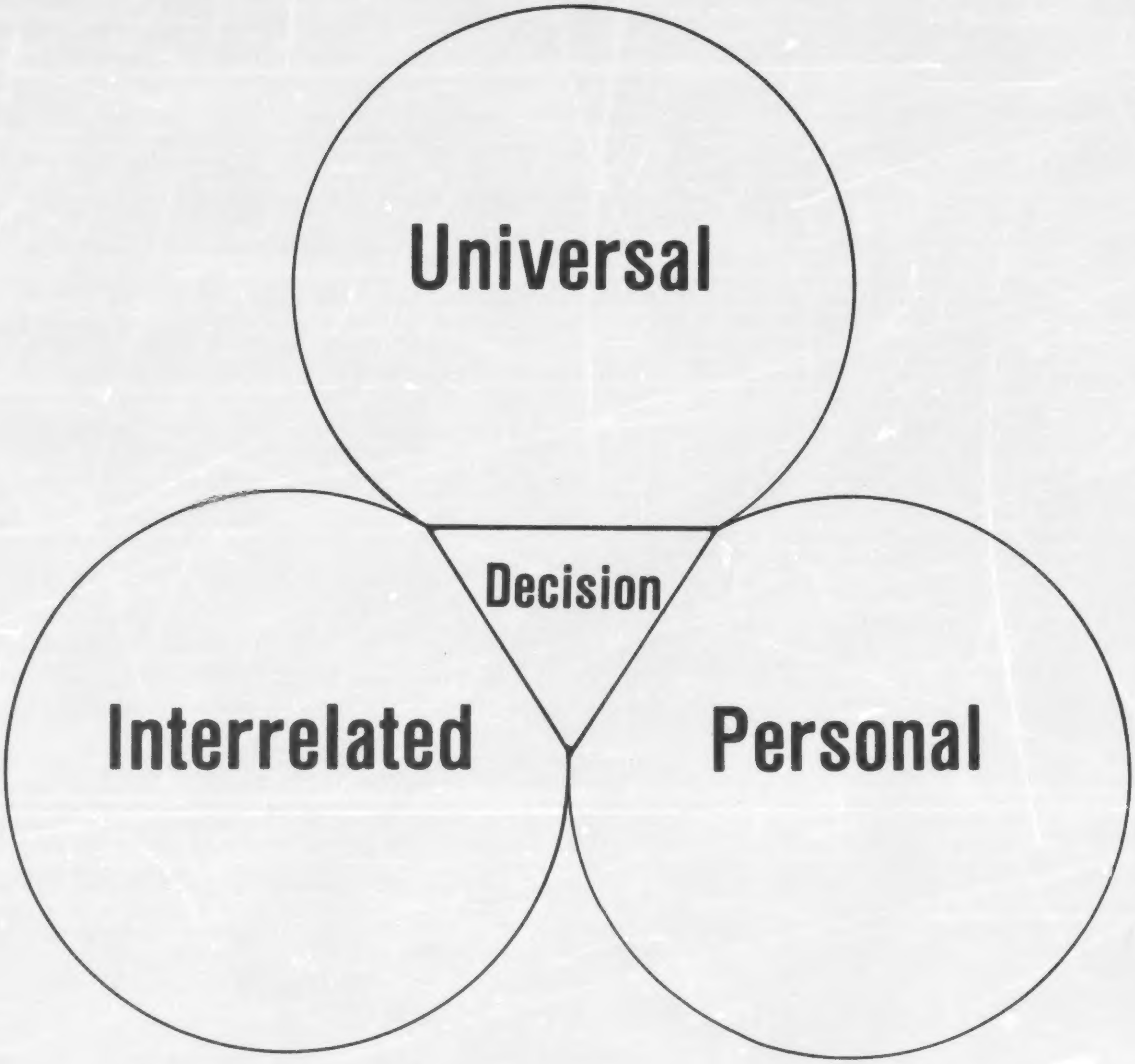
Father: I've just been looking at the bills we have and thought we ought to talk over some of the things you've been wanting to buy. Mother, you said you'd like a sewing machine, John wants a sweater, and Ann wants a transistor radio. We've also been talking about a tape deck for the car but we just can't buy all these things and pay our necessary monthly expenses. Does anyone have any suggestions?

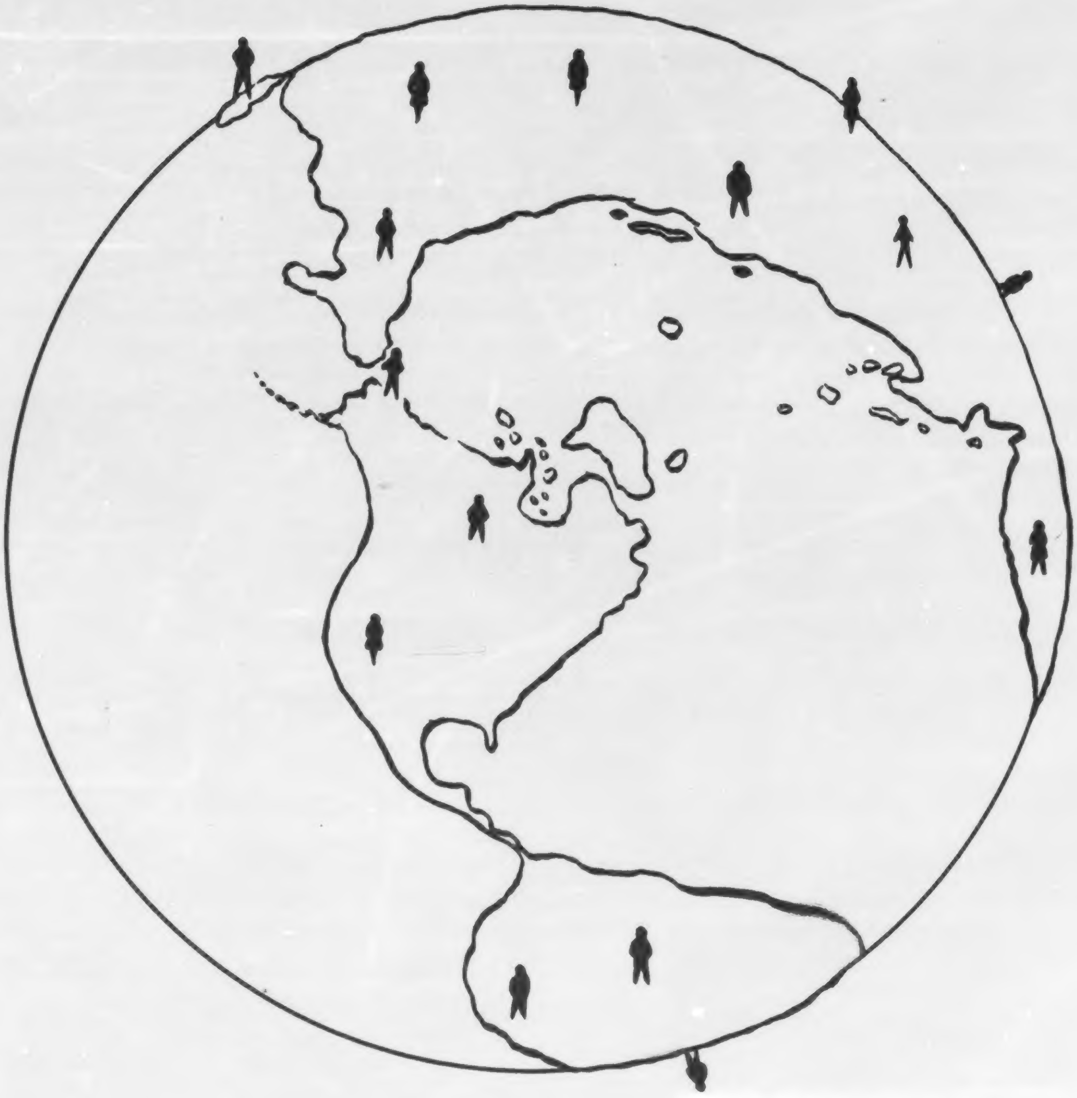
Mother: Since I took that sewing class, I've been wanting to make some more things and I thought I could make some curtains for the kitchen windows. I could also help us save money by making some clothes for Ann and myself. But I guess I can do without a machine until later.

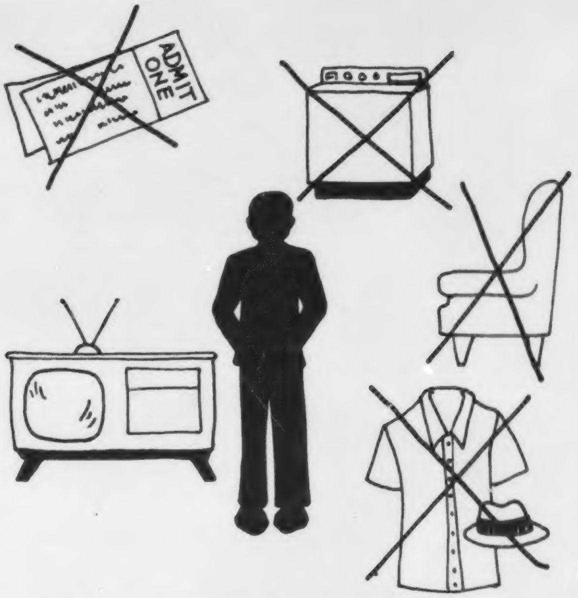
Ann: No, I think we should get the machine now. I'd like to learn to sew and we sure need some new curtains. I can wait to get the radio. Maybe I can even earn some money by babysitting so I can buy fabric for some new dresses.

John: I do need a sweater, but I can pay for it with what I earn at my part-time job. It will take me a little longer to get it, but I can wait. So you don't need to allow anything from the budget for my sweater. Maybe I can make myself a sweater after we get the sewing machine.

Father: Well, it looks like we will be able to work things out after all. It sounds to me like we can afford the payments on the sewing machine. Then when that's paid for, maybe we can start thinking about a tape deck again.


Universal
Decision
Interrelated
Personal

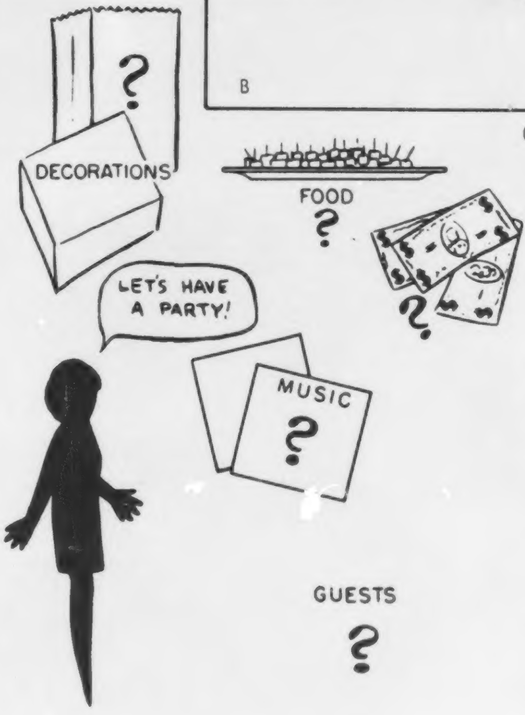


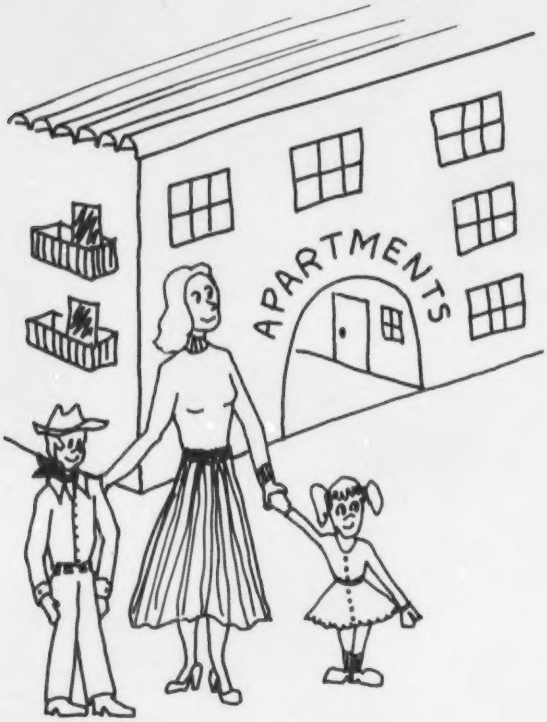


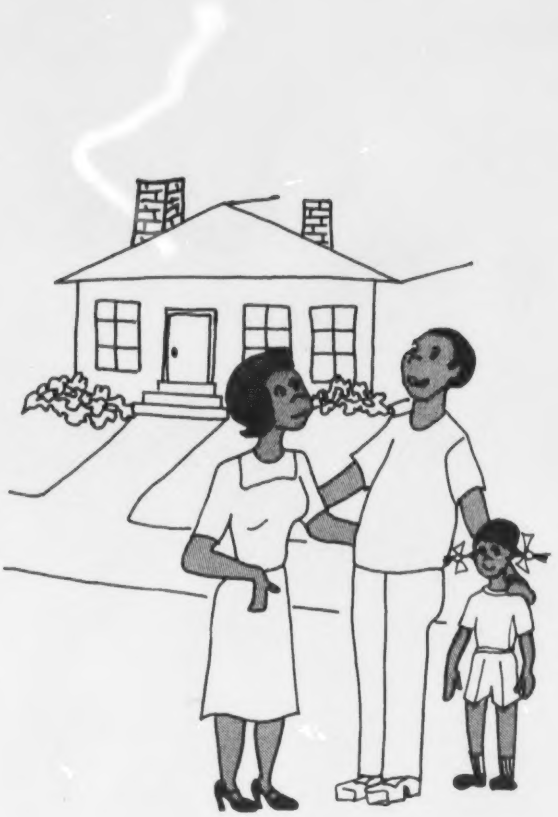
A

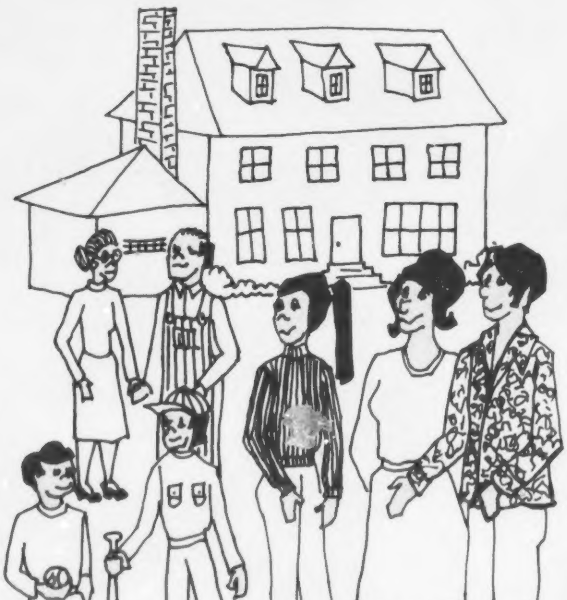
B

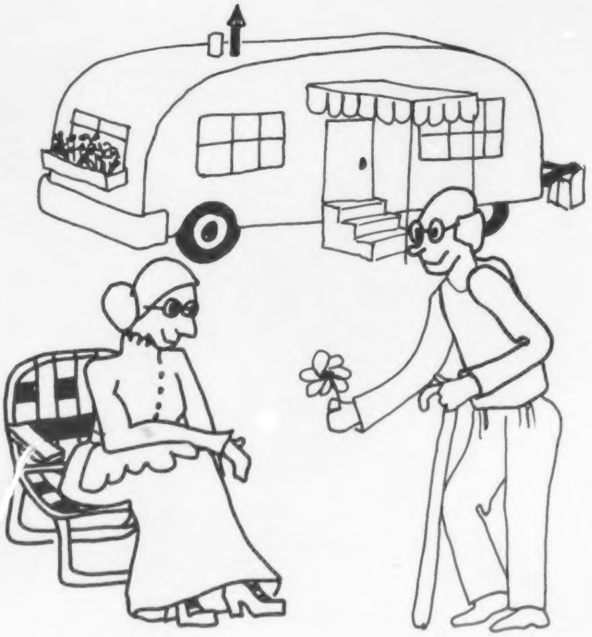
C


?
DECORATIONS
FOOD
?
?
LET'S HAVE A PARTY!
MUSIC
?
GUESTS
?


APARTMENTS



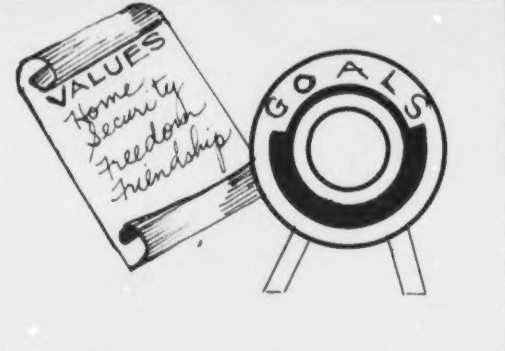




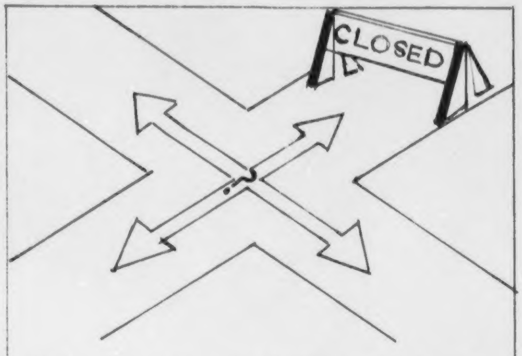
Making A Decision

?

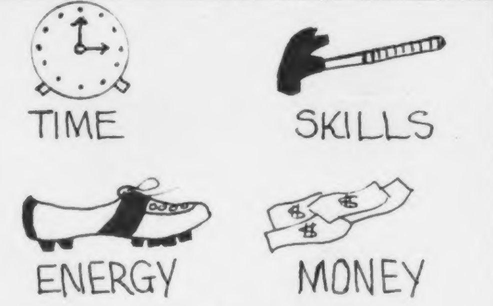
What Is The Problem?


VALUES
Home
Security
Freedom
Friendship
GOALS

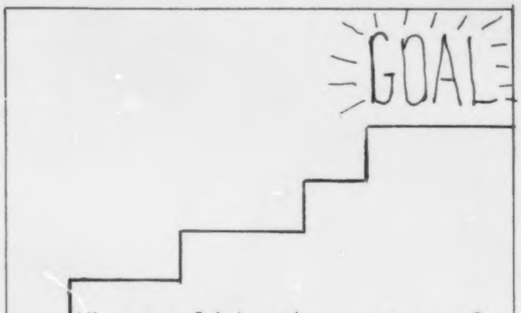
What values and goals are involved?



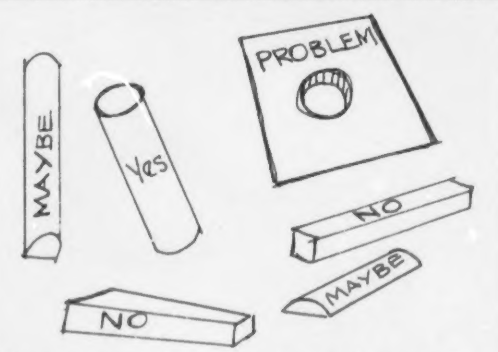
What are the possible solutions?


TIME
SKILLS
ENERGY
MONEY

What resources do you have?



What would be the outcome of the different solutions?


PROBLEM
MAYBE
Yes
NO
MAYBE
NO

Choose an alternative and put plan into action.

Evaluate the results.

PRACTICE IN DECISION MAKING
(Handout)

Directions: List below one of your most recent decisions. Use the form below to describe the decision you made.

1. The problem I faced was:

2. Several choices I could have made were:

3. The results of each choice might have been:

4. The decision I made was:

   The reason I selected it was:

5. I was willing to accept the results of my decision because:

6. The resources I used in making the decision were:

UNIT II: EARNING
II-1: Value of Work

OBJECTIVES:

Identify reasons people work
Describe personal abilities which might be important in the job market
Discover changes in various job opportunities available today
Present the role of education in one's career opportunities
Show what employment trends mean to people looking for jobs

VOCABULARY:

trade
career
earning power
job opportunities
employment trends
inflation
cost of living
escalator clause

Why do people work? Money is one reason people work--money for things one's family needs. People work so they can do something interesting and useful. They work to gain more experience or to learn a trade. A trade is the work you regularly do using your skills. They work so they will be with other people. Many work because they like what they are doing. Rewards which can be gained from a job are: (1) security, (2) enjoyment, (3) advancement, (4) recognition, (5) good working conditions, (6) wages, (7) social acquaintances, (8) opportunity to learn, (9) convenient hours, (10) ease of job, and (11) fringe benefits.

The Job Market

Knowing something about the job market, as well as your own abilities and capabilities, will help you in making decisions about your own career. A career is the job or occupation you do as a life's work. This means that you must know quite a bit about the world of work, particularly in the area in which you live.

You should know that the world of work is changing and how it is changing. Can you think of some jobs that were once important that no longer exist today? (wagon builders, harness makers, blacksmiths, hand elevator operators, etc.) Have you ever held a job which no longer exists?

If you are looking for a permanent job with a good future, you should be familiar with certain changes in various job opportunities. [Use visual (p. 80).]

1) Fewer unskilled workers will be needed in the future. Machines, such as ditch digging machines, have taken over many jobs which were once done by hand.
2) Semi-skilled labor will still be in demand, but the rate of increase will be very small compared with that in other types of work. Be smart and train for a job with a future.
3) Skilled workers and supervisors will continue in demand. However, the rate of increase for such jobs will be less than half of that for skilled technicians and professional workers. Training is available through apprenticeship or vocational training.

4) The largest increase in job opportunities will be for trained professional workers. Areas of greatest demand will include engineering, science, space research, accounting, atomic energy, technical writing, medical service, social work, and marketing. Sales workers and service workers (such as hair stylists, laundry and drycleaning workers, food service employees, etc.) will also be in demand. Colleges, junior colleges, and technical schools are good sources for professional education and training.
5) White-collar jobs are replacing blue collar jobs. Professional, managerial, clerical, and sales jobs will continue to provide more employment opportunities than jobs for persons who work at a trade and laborers.

Inflation and Earning Power

Inflation's effects on earning power and advancements, may cause fewer jobs. Earning power is how much money you make doing a job. It seems today that rising prices are as certain as death and taxes. Inflation, or the rise in prices, causes people to loose their buying power. Another way of defining inflation is to say, as the prices go up, your dollars buy fewer goods and services.

When workers face a rise in prices of the goods and services they buy, they ask for higher wages, which in turn cause prices to rise again. Some workers are able to keep up with inflation through cost of living or escalator clauses in their work or union contracts. A cost of living or escalator clause gives the worker an automatic wage increase when prices rise in the economy. Not all workers are protected by these clauses. It is of value to you to work for someone who understands inflation and helps their employees to keep up with rising prices.

How would these facts help you in planning your career? How does your job choice affect your earning power? How does your job choice affect how much money you make during a job?

The Job for You

The first step in determining your qualifications for work is to take an inventory of your strong points--special abilities, experiences, schooling, personal qualities, etc. Jot them down. Also include some odd jobs you have done, special interests you have, your best subjects in school, and hobbies you enjoy. Just writing them down will help you think about what you can offer an employer. It will also give you an idea of what special qualities you might have that working can bring out in you.

The second step is to know what benefits of having a job are. What are your chances for advancement? Does the company give a cost of living increase? Does the company provide health or life insurance plans? These are just some of the questions you should ask yourself. [Can you think of any other questions you might have?]

The third step after you become familiar with the benefits of having a job you should consider certain changes in various job opportunities. [Use visual (p. 80) as a basis for discussion.] You may find better benefits and pay for higher positions. You may want to aim for one of these positions as your employment goal.

How would knowing your place on the employment ladder help you in planning your career? How does your job choice affect your attitude toward working?

Some entry-level jobs to consider might be: (Consult your local Texas State Employment Commission Office for detailed information on available jobs.)

- Assembly line worker
- Construction worker
- Domestic worker
- Food service worker
- Nurses aide
- Warehouse laborer

What do current employment trends mean to you?

1) Consider going to college, trade school, technical school, or vocational school. Plan to complete high school if you have not received your diploma. Consider enlisting in the military services to receive technical training which will be valuable when you return to civilian life.
2) Get all the education you can before you look for full-time employment. If you are already employed, look for ways to continue your education through evening classes, part-time school, Saturday classes, or on-the-job training.

APPLICATION: Discuss possible ways of continuing one's education other than formal high school education after hearing a high school or college counselor talk about the benefits of having an education when looking for a job.

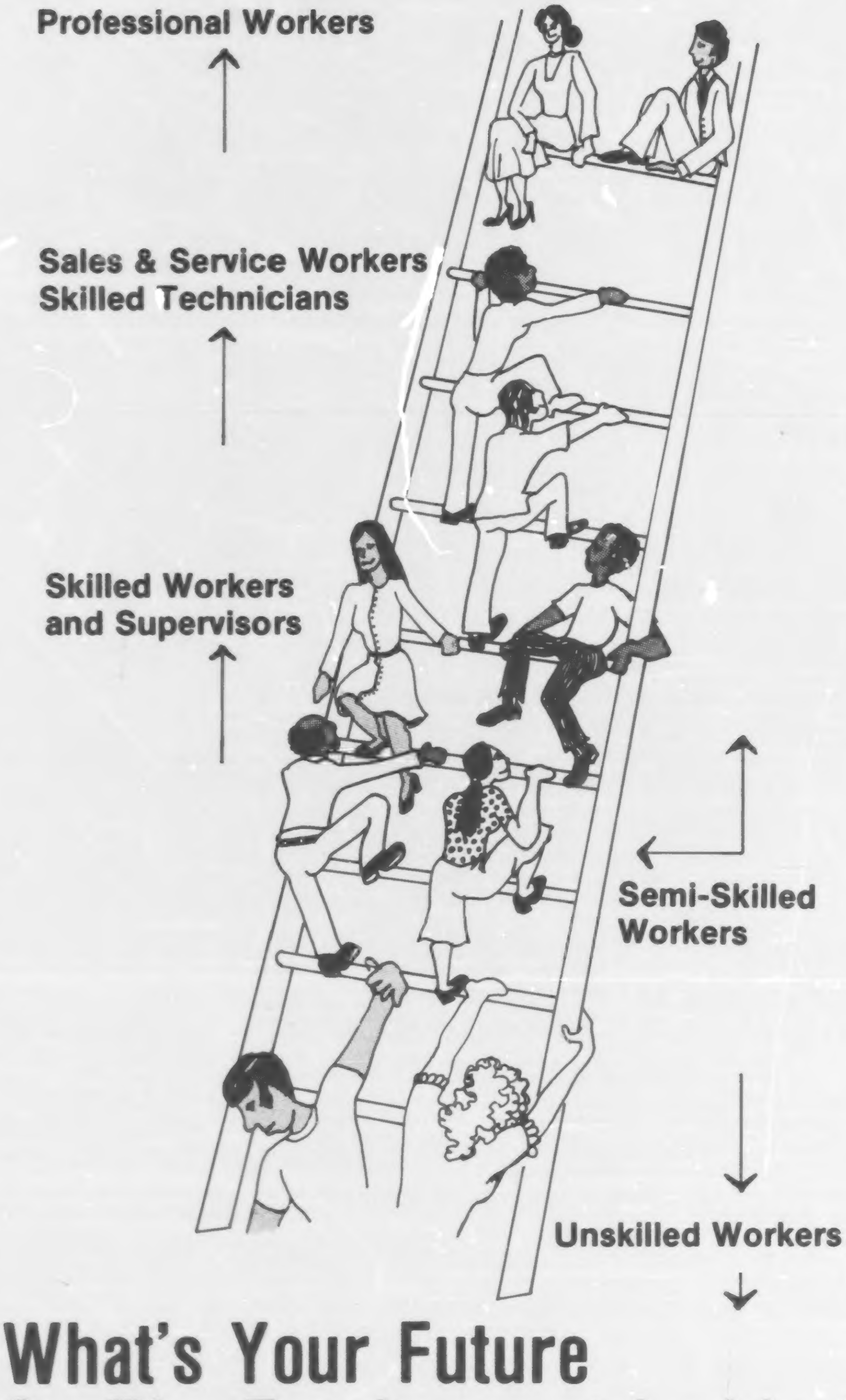
KEY IDEAS: Work is a way of meeting one's needs.

Knowing one's strong points can help in choosing a suitable career.

Career opportunities are changing.

Inflation affects a person's earning power.

Education makes it easier to find a job.


Professional Workers
Sales & Service Workers
Skilled Technicians
Skilled Workers
and Supervisors
Semi-Skilled
Workers
Unskilled Workers

What's Your Future On The Employment Ladder?

UNIT II: EARNING

II-2: Job Hunting

OBJECTIVES:

Give examples of places to look for a job
Analyze special problems in getting a job
Determine personal situations which affect one's ability to get a job

VOCABULARY:
employment service
civil service commission
help wanted ads
yellow pages
maturity

Suppose that you need a job--where do you start looking? [Provide this information on a handout.]

1) Try your school placement service.
2) Study help wanted ads in newspapers and magazines.
   a) Answer only the ones you think you can fill.
   b) Act promptly.
3) Watch for "help wanted" signs in business windows.
4) Check with your union.
5) Ask your state employment service.
6) See if the U.S. Civil Service Commission can help you.
7) Try a private employment agency.
8) Look in the yellow pages of a telephone directory, industrial directories, or Chamber of Commerce lists for names of firms which might have a job for you. Get in touch with the firms.
9) Write to professional associations. Listings are available at libraries.
10) Contact relatives.
11) Contact friends and neighbors you know.
12) Get contacts through previous employment.
13) Follow up previous contacts.

When you decide to begin your hunt for a job, consider all possible sources. (There are many jobs open to people with little experience and limited skills.) Think of some of the chores many adults do not get around to doing. Some examples are: window washing, garage cleaning, gardening, floor waxing, house painting, or house cleaning. You can probably think of many more. Such jobs can also be done during the time you are not on a regular job.

Don't overlook other jobs which require skills you have. Can you sew? Why not use your talent to make money? Word of mouth and advertisements in the newspaper are effective ways of getting customers. You may have several money-making skills you are unaware of. Perhaps you have an arts-and-crafts hobby which could earn money. Maybe you could give lessons for the hobby you have. If you can drive a car, consider doing errands such as carrying children to and from school. Other possibilities are minor car repairs, tutoring students (perhaps in a language you can speak), or babysitting.

What special problems do young people face in getting a job?

Lack of experience
Lack of skills
Little education
Few entry level jobs with a future
Lack of maturity
Lack of good work habits
Poor attitude
Low paying jobs

Sometimes personal situations affect one's ability to get a job. Some of these factors include:

Activities
Age
Family responsibilities
Goals
Interests
Number of children
Physical condition
Values
Work experience
Work preparation

APPLICATION: Take a field trip to an employment agency. Ask questions and explore the job opportunities available through such an agency.

KEY IDEAS: Knowing the places to begin looking for a job can help one find a good job faster.

Young workers have special employment problems.

One's personal situation affects his/her career opportunities.

UNIT II: EARNING
II-3. Job Application

OBJECTIVES:

- Identify ways to prepare oneself before applying for a job
- List personal qualifications needed to become employable
- Prepare a brief resumé containing facts relevant for obtaining a job
- Complete an application form utilizing personal information
- Explain admirable characteristics one should exhibit during a job interview
- Show the difference between a successful and unsuccessful interview
- Analyze an interview to determine its effectiveness

VOCABULARY:

qualifications
preparation
resumé
application form
interview
interviewer
interviewee

Before actually going to apply for a job, you can do several things to prepare yourself. Your goal is to present yourself in the best possible way. Preparation is a key word in applying for a job. To prepare for a job interview:

- identify qualifications for the job
- write a resumé (upon request)
- review the application form
- study the guidelines for an interview.

Qualifications for a Job

You will need to know the qualifications for every job for which you apply. Qualifications are the things an employer looks for in a person who is applying for a job, such as jobs you have had before, your skills, or educational history. You will also need to know if the job will require a resumé, if you have to fill out an application form or be tested, and if there will be more than one interview.

Some other qualifications or personal characteristics an employer looks for in a person applying for a job are:

Alert
Careful
Cheerful
Friendly
Enthusiastic
Independent
Neat
Polite
Thoughtful
Willing to work

The list above can be expanded according to the job being considered. Add to the list as you explore each job possibility.

The Resumé

What is a resumé? A resumé is a written summary of your qualifications for employment. The resumé should contain facts. These facts can increase your self-confidence as well as visually reveal your assets. Always make your resumé neat, simple to understand, accurate, and no more than two pages. [Follow the form of the sample resumé (p. 87).]

APPLICATION: Prepare a resumé for yourself using the sample as a guide. Type it if possible. Bring it to the meeting and share it with fellow participants. Discuss assets and what jobs these assets would be useful in. Also, discuss ways to use the resumé to increase chances of getting a job.

Application Forms

Another way to apply for a job is with an application form. Application forms are used by many employers as a way of quickly finding out about a person. They can be obtained by going to the place you plan to apply. Be ready to fill out an application form wherever you apply. Things you need to know or do when filling out an application form include:

1) Know or take this information with you
    a) Social security number
    b) Date and place of birth
    c) Your present address and phone number
    d) Previous address and employment
    e) Physical characteristics
    f) Local physician
    g) State of health
    h) Military duties
    i) Education history
    j) Two or more names, addresses, and positions for use as references
    k) Employment history
2) Carry a pen
3) Print neatly
4) Complete all blanks (If a question does not apply to you then put N.A. or "not applicable.")
5) Read all directions
6) Be truthful

After studying the application form (p. 88) complete a similar one following the six guidelines above.

Interviewing for a Job

Job hunting is a difficult process. The hardest part, according to most people, is the interview. Some words to know are:

Interview----A meeting between an employer and an applicant to talk about a job opening.
Interviewer--The one who interviews and asks the questions.
Interviewee--The one being interviewed (you).

If you have prepared for the interview then you will be more relaxed and able to be at your best. You want to prove to the interviewer that you are sincere about wanting the job, intelligent enough to do it, and have enough education and work experience to do it well.

How to prepare for the interview:

- Be well groomed - teeth brushed, hands and clothes clean
- Be neat - shoes clean and polished, clothes pressed, hair attractive
- Dress properly - clothes acceptable length and style, shirt tails tucked in
- Go alone
- Enter with poise
- Introduce yourself
- Look directly at the interviewer
- Know something about the job
- Be cooperative
- Keep your cool - Don't show anger or frustration
- Pay attention - Look and act alert
- Don't smoke, chew gum, or slouch
- Be seated only when asked to
- Be honest
- Be courteous and mannerly
- Use correct grammar
- Thank the interviewer for the interview

[To actually let participants see the importance of preparation before an interview, ask two volunteers to perform the skit "Did I Say Something Wrong?" (p. 89). Afterwards discuss the preparation of Sonny for the interview. Decide as a group if he should be hired for the job.]

APPLICATION: Role play a job interview. Two volunteers are needed, one for the interviewer and one for the interviewee. After the role play, ask the entire group to discuss the following questions:

What did the employer do well?
What answers did the interviewee know well?
What questions did the interviewee not answer?
Does not answering a question affect the possibility of getting a job?
How necessary is it for a person to dress neatly for an interview?
If the interviewee had been chewing gum, what affect would this have had?
What could the interviewee improve before applying for another job?
What did the interviewee do that should be repeated again at an actual interview?

Have participants do "Applying for a Job Crossword Puzzle" (p. 90).

KEY IDEAS: Anyone applying for a job should do some preparation.

A resumé is a quick and efficient way to present assets to a prospective employer.

Understanding an application form so it can be filled out properly is important when looking for a job.

An interview can show sincerity, intelligence, education, and work experience of the person being interviewed.

SAMPLE RESUMÉ
(Handout)

NAME:
Sue Fan

ADDRESS:
101 Park Drive, Somewhere, Texas 79000

PHONE:
222-2222

PERSONAL:
Date of birth: February 28, 1961
Health: Excellent

EDUCATION:
Somewhere High School, May 24, 1979

HONORS AND ACHIEVEMENTS:
Reporter, Senior Class
Honor student, B average, Tenth grade
All-district basketball player, Twelfth grade

SKILLS:
Speak and read Spanish
Knit
Drive a car

WORK EXPERIENCE:
Tutoring, Spanish, 1 Semester
Babysitting, 1 year
Gift wrapping, 2 years

HOBBIES, CLUBS, INTERESTS:
Knit
Jog
Swim
Church Choir

REFERENCES: (not related in any way)
Mr. Cass Jones, 112 Second Street, Somewhere, Texas 79000 (High School Coach)
Ms. Mary Moore, 320 South Drive, Sunset, Texas 79002 (Manager, Jay's Department Store)
Ms. Sally Roe, Route 5, Somewhere, Texas 79000 (Insurance salesperson)

JOB DESIRED:
Sales clerk
Receptionist
Gift wrapper

SAMPLE EMPLOYMENT APPLICATION FORM
(Handout)

BEARD'S JEWELRY STORE
222 Hand Street
Anywhere, Texas 79000

NAME ____
last first middle

ADDRESS ____
number street apt.

____
city county state zip code

Telephone Number ______________ Emergency Telephone Number __________

Social Security Number __________ Check One: ___ Female ___ Male

Parents' Name _____________________________________

Schools Attended __________________________________

Subject Studied _____________ _____________________

Answer Yes or No to the following: U.S. Citizen?____ Veteran?____ Have you ever been in the hospital?____ If yes, why?________________ When?________________ Doctor's Name________________

Number of Dependents __________

REFERENCES:

Previous Employment Record: List your last employer first.

Name of Employer______________ Address______________
Telephone Number______________ What did you do?______________
Why did you leave?______________________________

Name of Employer______________ Address______________
Telephone Number______________ What did you do?______________
Why did you leave?______________________________

Name of Employer______________ Address______________
Telephone Number______________ What did you do?______________
Why did you leave?______________________________

Date: ______________________ Signature: ______________________

DID I SAY SOMETHING WRONG?
(Skit)

CHARACTERS: Mrs. Gomez - Interviewer for a large department store in a large Texas city.

Sonny Rhodes - Interviewee who lives near the department store.

Scene opens with Sonny glancing at his watch as he runs into the interviewer's office. He tears his T-shirt on the door as he enters.

Sonny: Gee, I'm sorry I'm late, but I had to leave my mom right outside this here store. She just had to come along so I wouldn't be nervous. (Sits down in chair opposite Mrs. Gomez.) I can't believe I tore my T-shirt. Oh well, it already has a big hole under the arm.

Mrs. Gomez: Hello. I guess you are Mr. Rhodes. I am Mrs. Gomez. Are you interviewing for a sales clerk or gift wrapper?

Sonny: Heck, I just heard there was a job open, so I called and rushed right over. I guess you can give me either job. I can do about anything. (Slumps down in the chair.)

Mrs. Gomez: There is a skill to wrapping gifts. Do you have any previous experience?

Sonny: I can't think of any. How do you expect a person to get a job when you always have to have experience. Every store I apply at asks me that question. I'm getting pretty mad. Did you have any experience before you got your job?

Mrs. Gomez: (looking startled) I'm sorry you feel this way. Why don't you tell me a little about your educational background. Have you had any courses related to selling, working with people, coordinating colors, or operating machines?

Sonny: Yeah. Just a minute, let me get a cigarette. (Puts cigarette in mouth.) Gosh, I forgot my matches. I took all those courses and I think I made all A's.

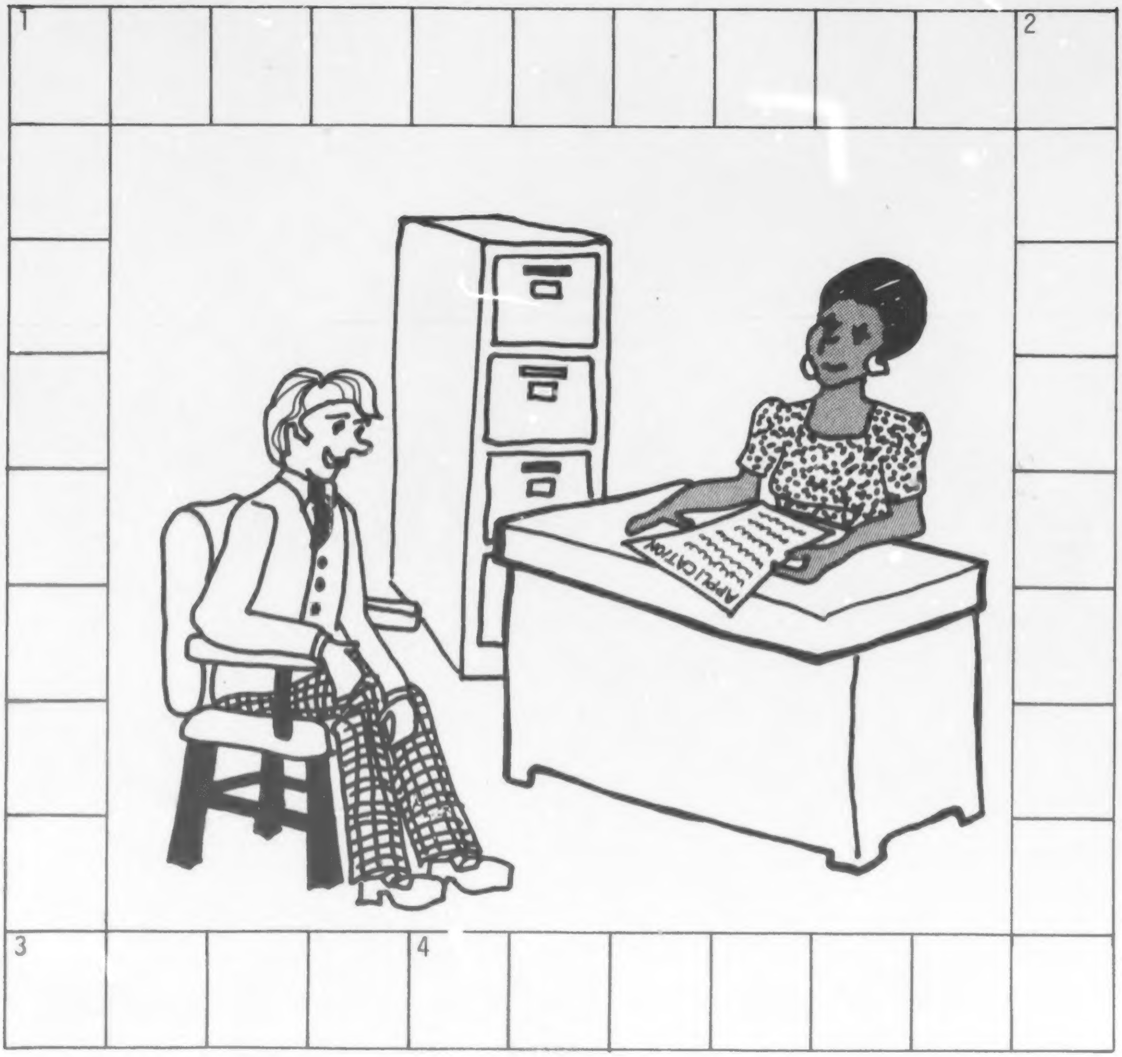
Mrs. Gomez: Thank you for visiting with me. We will contact you within the next two days about the job.

Sonny: O.K. I'll call you tomorrow just to see if I got it. Do you think I got it?

Mrs. Gomez: I will contact you as soon as the positions are filled. Thank you.

Sonny: Goodbye. (Extends his hand to shake hands.) Oh, better not shake your hand. Mine are filthy from working on my motorcycle. So long.

APPLYING FOR A JOB CROSSWORD PUZZLE
(Game)



ACROSS

1. The person being interviewed is the *interviewee* .
3. Education and *work* experience helps in getting a job.
4. A written summary of qualifications for employment is a(an) *resumé* .

DOWN

1. The meeting between an employer and an applicant to talk about a job opening is a(an) *interview* .
2. Plural for the person who hires other people to work for wages is(are) the *employers* .

UNIT II: EARNING
II-4: Job Success

OBJECTIVES:

Recognize favorable and unfavorable attitudes which affect one's ability to advance
Describe ways a worker can get ahead in the work world
Explain the importance of good human relations on the job

VOCABULARY:

- attitudes
- carelessness
- uncooperativeness
- laziness
- dishonesty
- disloyalty
- ambition
- initiative
- courtesy
- human relationships

Employers want to keep people who are eager to work and have a pleasant personality.

Your attitudes will have a great deal to do with your job success. What is an attitude? It is the way you look at things. What are some attitudes that frequently cause workers to be fired? [Write each word on the board or use a flannel board or poster.]

Carelessness--Errors which could easily be prevented, cause a business to lose money, or cause you to lose your job.

Uncooperativeness--The success of a business depends on teamwork. Workers who fail to cooperate make things difficult for everyone. Make a good start by following company rules.

Laziness--Some workers simply do not do as much work as they can do. They fail to meet quotas or other standards. Soon other workers are slacking off and profits go down. Some workers go so far as to be absent or tardy without cause.

Lack of interest--These workers may meet their quotas and finish their work as quickly as possible so they can do what they want to do--on company time. Paying too much attention to outside interests can cause a worker to lose his/her job.

Dishonesty--This involves stealing, dishonest use of time, lying, being untruthful to customers, and failure to give honest answers on one's job application.

Improper dress--This varies from inappropriate clothing to unclean, ill-kept clothing. Extremes in garments, make-up, or hair style may be cause for dismissal.

Lack of ambition--Most of the attitudes above may be the result of lack of ambition!

Lack of initiative--Some employees do what they are told to do, but never do anything on their own. They finish one task and wait until they are given another. Of course, the other extreme of taking too much initiative would be undesirable, too.

Lack of courtesy--There is really no excuse for bad manners!

Role play situations depicting poor attitudes. Discuss each one and then role play the same situation, showing a worker with a good attitude.

Name the opposite of each of these attitudes and tell how a worker would display each positive attitude. What attitudes can help your human relationships on the job? Here are a few suggestions:

1) Look for the good things in the people you work with and for.
2) Look for the good things in your company.
3) Look for the good things in your department.
4) Don't let anyone with a negative attitude cause you to lose your positive attitude.
5) Do your best work and keep trying to do better.
6) Keep learning.
7) Work hard at building good relationships with fellow employees and your supervisor. This means keeping your sense of humor and trying to understand people you work with.
8) Don't nurse a small gripe. Try to talk it over with the right person (the person involved or your supervisor).
9) Don't be afraid to apologize.
10) Don't repeat rumors. Don't start rumors. Do your best not to worry about rumors until they are proven or disproven.
11) Learn to release your frustrations harmlessly.
12) Learn to listen carefully.
13) Never underestimate the importance of another person to the company.
14) Report mistakes you make to the management. Everybody makes mistakes, so don't try to cover them up. This is dishonest.

[The above information might be provided in a handout.]

Discuss ways in which human relationships affect earning. How could poor human relationships among employees make them produce less as a group?

Everybody wants to get ahead. Let's look at some ways you can get ahead. [Use a flannel board to show key phrases (p. 95).]

1) You may get ahead on the job you have now. Check the positions in the company you work for. Decide which one you think you could handle. Ask your supervisor if you could try for that position when there is an opening.

2) You may have to get a job with a different company if you work for a company where you will have little chance to advance. If you decide to change jobs, be sure to look for a new job on your own time. Give your present employer at least two weeks notice, so she/he can find someone to fill your job. Keep on the good side of your employer. You might want to use her/him as a reference.

3) You may need more training. Some companies have training programs for interested employees. You might consider night courses at vocational and technical schools. Several programs are available for adults who want to get their high school diplomas. Some colleges offer adult training programs at night or on weekends. Armed services provide a source of training. Unions often offer training or pay for training that will upgrade or update their members' skills. Home study might be the answer for you. Occupational training schools are available for haircutters, airplane-flight attendants, radio-TV repairers, and for hundreds of other occupations. Informal courses may increase your earning power. For instance, almost every public library can give you help in establishing an individual reading program, and many libraries have lectures, movies, and courses which could help you get ahead. Churches often have discussion groups or lectures which are helpful. Clubs and organizations, such as the Y, offer courses in grooming and in occupations or hobbies that could help you get ahead. Courses are even offered by radio and TV. There may be a community college, business school, college, or university nearby from which you could take courses.

4) Perhaps a hobby could lead to a career or supplement your present income. Sometimes hobby experience will even count as work experience.

5) Maybe you are advancing at a normal rate, but your work is suffering from money worries. Perhaps you can learn to stretch your paycheck by making better use of your money.

Consider these points:

1) Don't spend more money than you make. Owing money costs money.
2) Make your paycheck last from payday to payday. Being broke is depressing.
3) Borrow only if absolutely necessary. Interest and payments are a real drag.
4) Credit purchases cost more.
5) Pay yourself first by saving a small amount from each paycheck.
6) Learn about your company's credit union.
7) Be a smart shopper. Compare prices, watch for sales and specials. Read ads carefully. Read labels.
8) Find out if you are eligible for group insurance through your company.
9) Pay your bills on time and save your receipts as proof of payment. Bill collectors can leave you too nervous to work.
10) Know what your paycheck deductions are for.

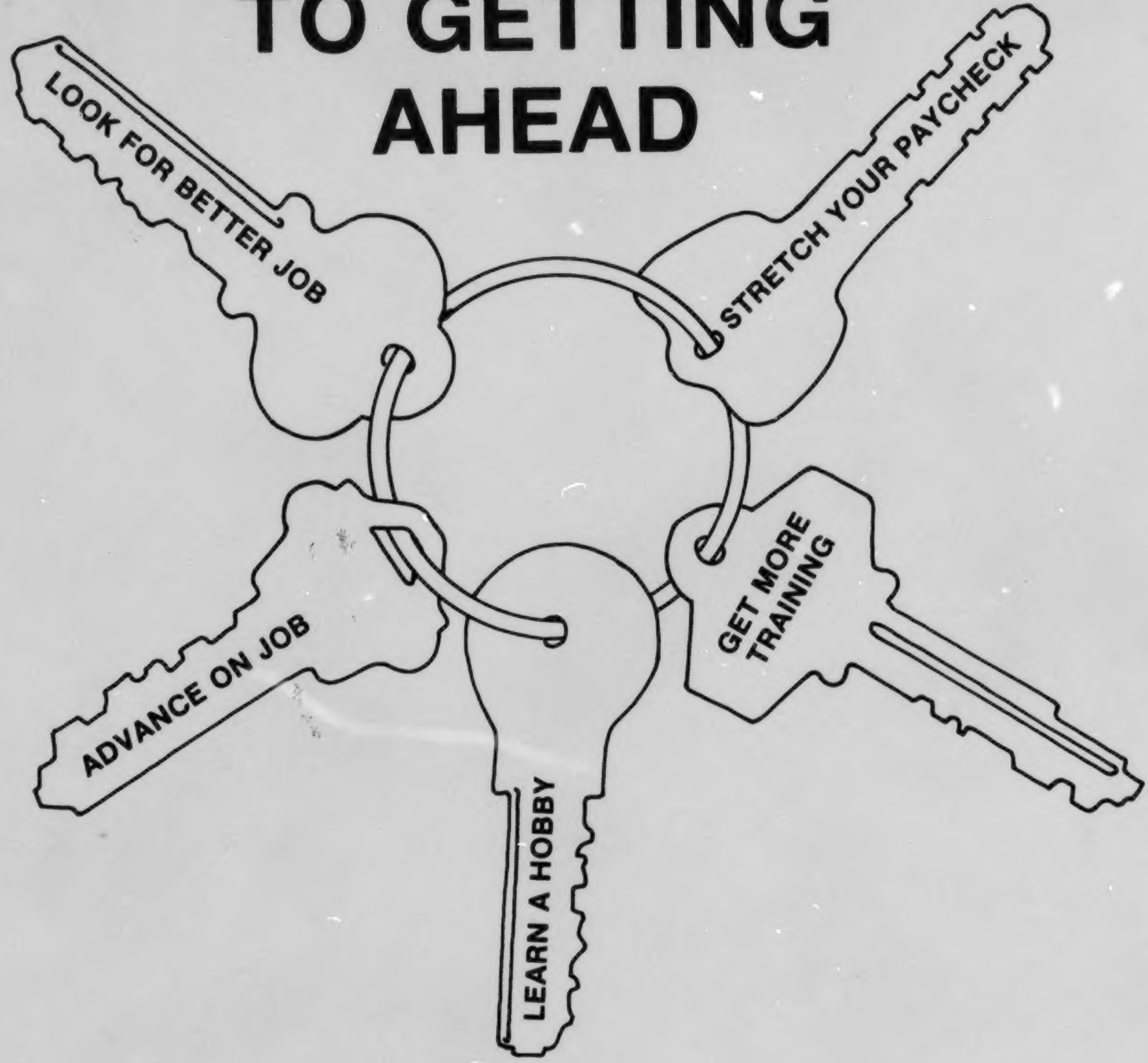
APPLICATION: Examine case studies of workers whose inability to get along with others caused them to be fired. Dramatize ways to improve human relationships.

KEY IDEAS: Attitudes may cause a worker to be fired or help him/her get ahead.

Ways to get ahead include taking initiative to try for a higher position, changing companies, getting more training, developing a hobby, or stretching your paycheck.

Human relationships are important in any job.

KEYS TO GETTING AHEAD


LOOK FOR BETTER JOB
STRETCH YOUR PAYCHECK
ADVANCE ON JOB
GET MORE TRAINING
LEARN A HOBBY

UNIT III: PLANNING
III-1: Plan Now

OBJECTIVES:

- List reasons for using a spending plan
- Identify reasons for cooperation of family members in financial matters
- Give examples of fixed expenses and resources
- Describe common resources and expenses that are flexible
- Apply information by making a list of personal income and expenses in the development of a spending plan
- Determine and list family goals.

VOCABULARY:

spending plan
spending record
goals
short-term goals
long-term goals
fixed expenses
flexible expenses
deductions

[NOTE: Have participants keep a record of their spending for four weeks prior to this lesson (p.101). If time does not permit, have participants keep a record of their spending for one week prior to this lesson, and estimate their spending for the rest of the month.]

Do you often wish you had more money to spend? If so, you are like many other individuals or families who never seem to have quite enough money to take care of all the things they need and want. [Use transparency (p. 102).] Do members of your family disagree about how the money should be spent? One way to make your money go farther and to avoid family arguments is to plan your spending. [Use transparency (p. 103).] Making a spending plan includes finding out where we stand at present, setting goals for the future, and taking necessary steps to reach each goal. A spending plan is different from a spending record. When you keep a spending record, you write down how much money you spend as it is spent. To make a spending plan, you decide about how much you will need to spend on certain things, like food or clothing, before you spend the money.

Steps in planned spending

There are several steps involved in planned spending. During the next four lessons we will be discussing the steps in making a spending plan.

To find out where you stand at the present, look at three things:

1) Where am I?
2) Where do I want to go?
3) How can I get there?

Where am I?

To find out a little about yourself, complete the open-ended worksheet (p. 104). Discuss with the group some of your answers. Listen to the wide variety of answers on a single question. Your answers will reveal some of your values and goals.

To find out more about where you are, add up all your resources [Review Chapter I-4 on Resources.] Resources can be used in different ways in a plan. Be sure to include resources such as: salaries, interest on a bank account, gifts, bonuses, and unemployment compensation. You probably have at least one of these resources. After you see the total picture of your resources, values, and goals, you know where you are.

Where do I want to go?

A major step in making a spending plan is to decide what is important to you and/or to your family. These are called goals and are things toward which we work. The things we want or need soon are called short-term goals and those we can wait for or which take a long time to reach are called long-term goals. It is a good idea to set your goals as a family. Then all members of the family can work together to reach the goals.

Now is the time to look closely at your values and goals. If you live with other people, consider their values and goals also. It takes time and cooperation to arrive at a set of goals that please everyone.

Your goals are not permanent. They change as you and your family does. Review and update your goals often. This will keep you in touch with where you want to go and help you stick to your plans.

Hand out sheet Our Family Goals (p. 105) and give examples of goals a family might set for the next month or two, such as:

pay bills
buy clothes
buy a piece of furniture
take child to doctor
buy school supplies

These are called short-term goals because it doesn't take very long to reach them. Goals a family might set for their future might include:

education for the children
larger home
retirement fund

These are called long-term goals because it takes a long time to reach them. Encourage participants to list some of their family goals. Ask participants to put a check mark by the item(s) the family wants most. These would be the goals you would try to reach first. Some people even like to number all their goals in the order in which they hope to reach them.

How can I get there?

Before you begin the next step of planned spending, you must know what your fixed or flexible expenses are. Fixed expenses are payments which the family must pay. This includes rent or mortgage payments, insurance premiums, installment payments, or any debt the family owes, taxes, and all other payments made on a regular basis and in a fixed amount. Fixed expenses do not change much from month to month, and they must be paid. Flexible expenses are those which can be controlled to a certain extent. These include spending for food, clothing, personal allowances, household operation, drycleaning, laundry, recreation, and other needs. Flexible expenses vary from month to month.

What other resources and expenses do you have? These resources are flexible because you can change them. Clothing can be bought at department stores or garage sales. Education can be gained in school or on-the-job. You decide where to get the resources and how to use them. The best way to do this is with a plan. So making a plan for the future which includes fixed expenses and resources as well as your flexible expenses and resources is the best way to get where you want to go.

Complete "When Are Bills Due?" (p. 106) to become more aware of your fixed expenses.

Values of planned spending

[To illustrate following points, refer to (pp. 107-108), or allow participants to draw their own pictures.]

Planning ahead is valuable to you because it:

1) Shows you and your family if you are really progressing toward your goals in life, and getting what you want for your resources.

2) Shows mistakes.

3) Indicates whether distribution of resources is appropriate for family values and goals.

4) Shows if each family member is getting a fair share of the resources.

5) Gives your family a feeling of security.

6) Gives direction and purpose to actions.

In order to reach our goals, we need to know where our money goes and then to develop a spending plan. The story we are going to read now shows us the next steps in developing a spending plan. [Read (pp. 5,7,9,13,17,19,27, and 29), in the story, Where Does the Money Go? by Hazel Spitze and Partricia H. Rotz, Austin, Texas: Steck-Vaughn Company, 1969.]

[After participants read the stories together, ask:]

> What were some of the things the Jacksons did to figure out where their money went? (They wrote down their expenses, they figured out how much Mr. Jackson got paid, they marked the bills on the calender, and figured out how much they had to spend each week.)
> Who took part in these activities? (The entire family)
> Do you think this is a good idea? Why? (Spending plans are likely to be more successful if the entire family is involved.)

APPLICATION: Distribute sheets entitled What Is Our Income? (p. 109) and What Are Our Expenses? (p. 110) and ask participants to fill them out. Review difference between fixed and flexible expenses. Ask participants to transfer total amount spent from the record they kept to the What Are Our Expenses? chart (p. 110). Have participants compare what they made and what they spent.

KEY IDEAS: One way to get more from your resources is to make a plan.

Fixed expenses do not change very much.

Flexible expenses can be changed.

It is wise to make a plan which includes both fixed and flexible expenses and resources.

OUR FAMILY INCOME AND EXPENSES FOR THE MONTH OF _________ 19 __

DATE	INCOME	FOOD	CLOTHING & LAUNDRY	HOUSING (rent)	HOUSEHOLD EXPENSES	UTILITIES (gas, water, etc.)	TRANSPORTATION	PERSONAL	INSURANCE	MEDICAL	EDUCATION	RECREATION	CONTRIBUTIONS & GIFTS	INSTALLMENT PAYMENTS	SAVINGS
1.															
2.															
3.															
4.															
5.															
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25.															
26.															
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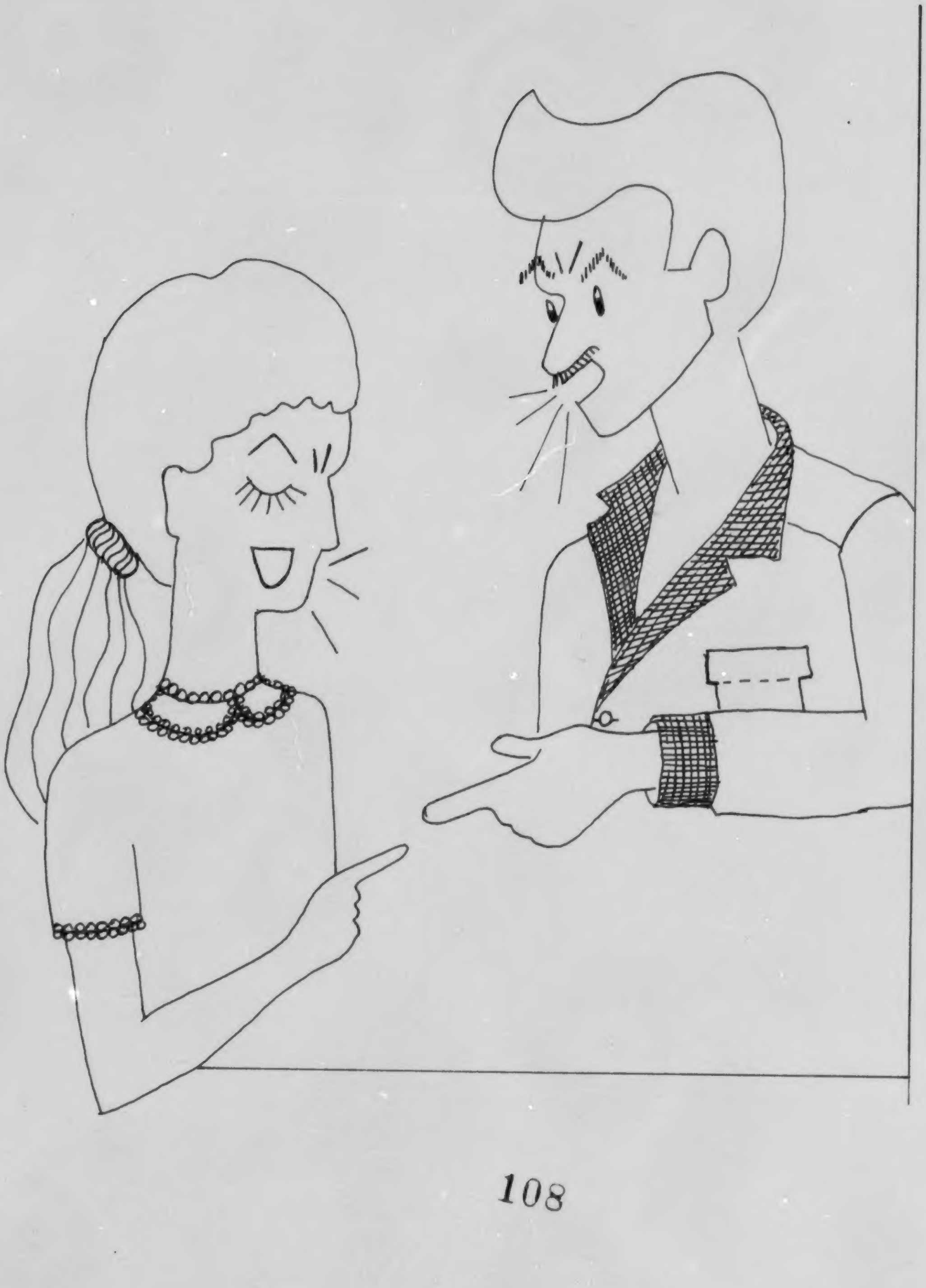
28.															
29.															
30.															
31.															
AMOUNT SPENT															
AMOUNT PLANNED															



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PLANNING
(Open-Ended Worksheet)

Directions: Complete the following statements quickly without changing your answers. There are no wrong or right answers. Answer honestly.

1. I spend too much time doing

2. I most enjoy

3. If I'm depressed I

4. If I'm happy I

5. I wish I had

6. I wish my family could

7. I plan to

8. My most valuable resource is

9. I never have time to

10. My family usually runs out of

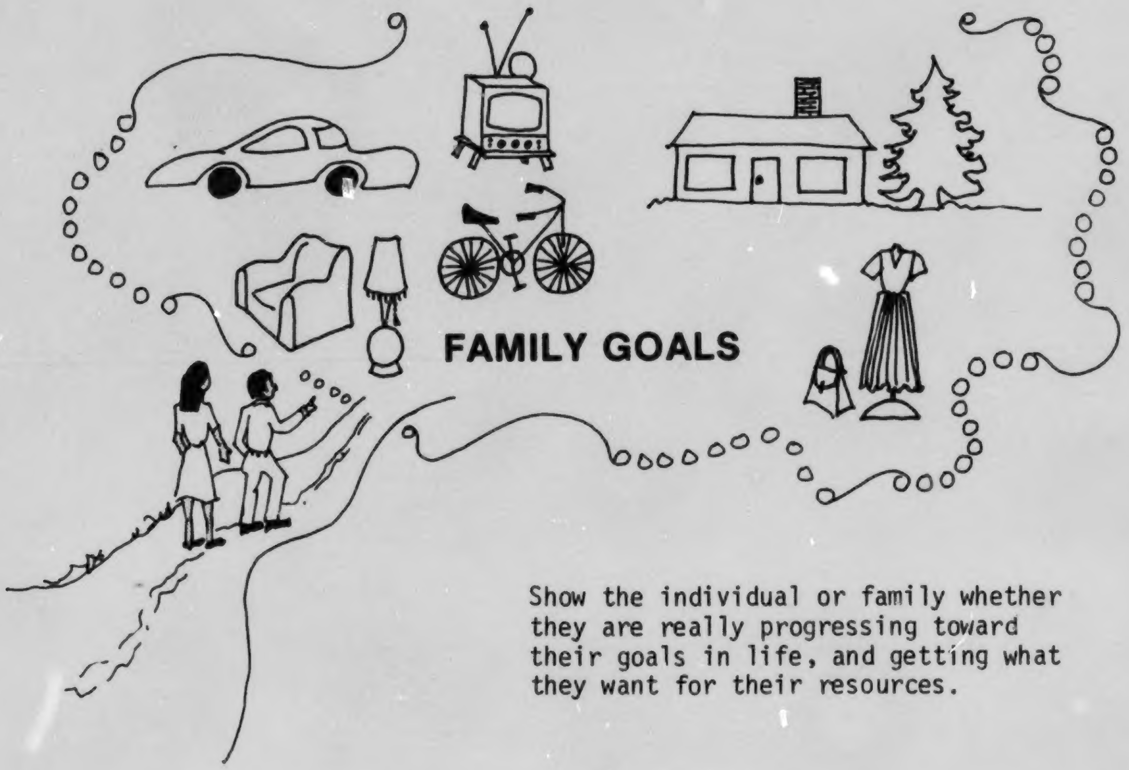
OUR FAMILY GOALS
(Handout)

Goals (Soon)	Cost	Goals (Future)	Cost
Total		Total	

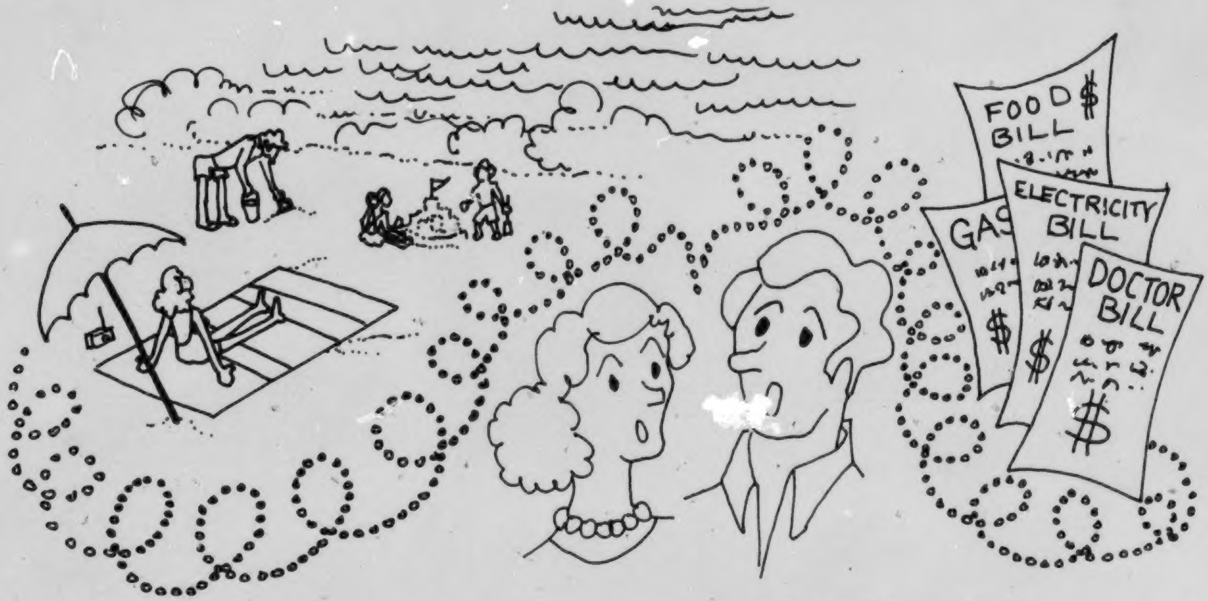
WHEN ARE BILLS DUE?
(Handout)

Month ____________________

Sun.	Mon.	Tues.	Wed.	Thurs.	Fri.	Sat.


FAMILY GOALS

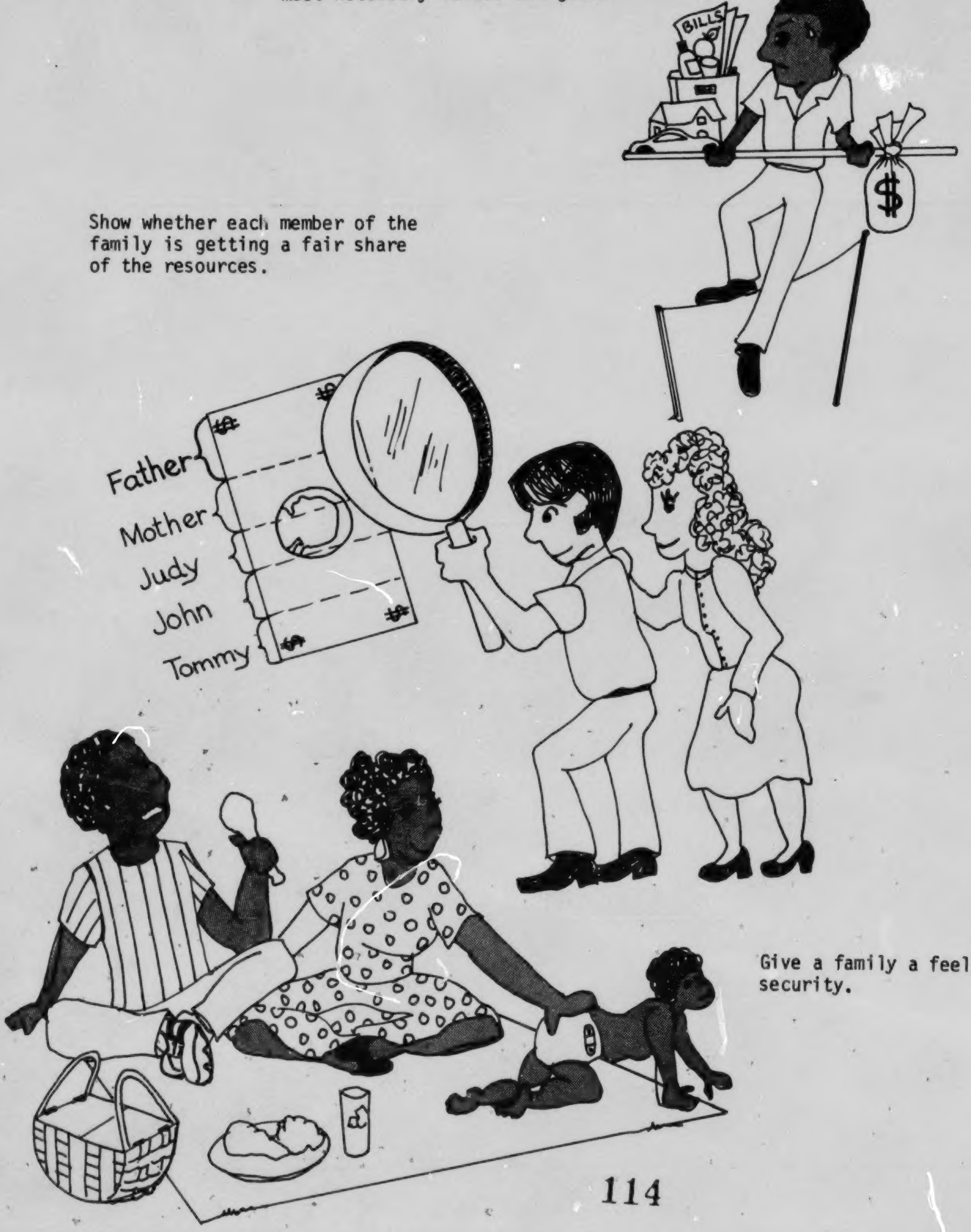
Show the individual or family whether they are really progressing toward their goals in life, and getting what they want for their resources.


FOOD BILL
GAS
ELECTRICITY BILL
DOCTOR BILL
WHAT WE DID!
WHAT WE SHOULD HAVE DONE!

Show mistakes

Indicates whether resources are properly distributed to help meet necessary values and goals.

Show whether each member of the family is getting a fair share of the resources.


BILLS
$
Father
Mother
Judy
John
Tommy

Give a family a feeling of security.

WHAT IS OUR INCOME?
(Handout)

Sources of Income	Monthly Amount	When Received
Wages (Take-home pay) Father Mother Children		
Social Security		
Unemployment Insurance		
Welfare Payments		
Aid to Dependent Children Payments		
Other		
TOTAL		

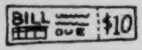
WHAT ARE OUR EXPENSES?
(Handout)

FIXED EXPENSES — Totals

Housing (Rent)

Insurance payments
Health
Life
Car

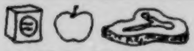
Utilities
Electricity
Gas
Telephone
Water

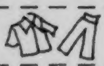
Monthly payments 

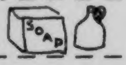
Other

Total

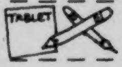
FLEXIBLE EXPENSES

Food 

Clothing & laundry 

Household expenses 

Medical expenses (doctor,
dentist, medicine

Education (school supplies) 

Transportation (car expenses,
bus fares)

Recreation (movies,
entertainment, sports)

Contributions (church,
community, and gifts)

Personal (haircuts, cosmetics,
allowances, cigarettes
SHOPPING MALL

Total

Fixed and Flexible Total

UNIT III: PLANNING
III-2: Spending Plan

OBJECTIVES:

Identify procedures for setting up a spending plan
List advantages of a spending plan
Explain how spending plans vary from family to family
Prepare a spending plan for a sample family
Determine how the use of a spending plan aides in reaching goals

VOCABULARY: spending plan expectations

Where does your money go? If you cannot answer this question, then today's session will be valuable to you. As pointed out in the last session, planning can help us meet our most important needs and wants, and at the same time, make the best use of our resources.

To make a spending plan, we must decide how much we will need to spend on certain things, like food or clothing, before we spend the money.

To set up a plan for spending:

- consider your resources
- know your expectations
- prepare a list of items you need

We have already discussed our available resources. To decide what purchase will best meet our needs we must consider how we will use it, how long we will use it, and special features we need. After you decide which product will be best for your needs, write it down. Be sure to buy exactly what you write down. This way you receive the advantages of a spending plan.

Consider a purchase from which you received so much satisfaction that you feel you have gotten more than your money's worth. What increased its value to you? Had you earned the money for it? Did you plan to buy it? Did you want it a long time before you bought it?

Advantages of planned spending

Knowing some advantages of planned spending might help you understand how important planning is in being a wise consumer. Some advantages of a spending plan are:

1) It helps us to be honest about the things we can afford.
2) It helps us to get the most out of our money.
3) It helps us to reach our goals.
4) It lessens the number of family arguments over money.
5) It decreases worry over money.
6) It helps us to see just how much money is being spent on certain items.
7) It gives lasting enjoyment.
8) It can lead to family harmony.

Individual spending plans

Let us look at the records you kept of your spending. This will help you get a true picture of the way you use money. Remember, you were to write down how much money you spent as it was spent. In looking at these plans keep these questions in mind: How much money did you actually spend? Is the amount more than you expected to spend? Had you planned to spend that much?

Now that you have listed the amount of your income and your expenses, you are ready to make your spending plan. Each of you will have a different spending plan. Families have different goals and different expenses so the same plan would not work for everyone. A family's spending plan must be tailored to fit the family's values, needs, resources, and goals. When these change, the spending plan must be changed to fit the new ones.

[Have participants read information from (pp. 41, 45, 49, 51, 55, 59, 71, 73, and 75) in Where Does the Money Go? (p. 99) and let participants read aloud. Use this as a basis for the following discussion.]

> You will remember that the Jacksons had made a plan for spending when we read about them last time.
> What were they able to do as a result of planning their spending?
> What goal did they set? Did they reach it?
> Do you think they would have been able to save the money for the washer without a plan? Why or why not?
> How many of the family members were included in the plan? How did this help?
> What was the advantage of saving for the washer instead of buying it on credit?

To start our thinking, let's work together to make a spending plan for the Brown family. [Hand out and read together A Spending Plan for the Browns (p. 114).]

We will use the Sample Spending Plan Work Sheet (p. 115) and fill in the amount the family spent in the "Amount Spent" column from the figures given in A Spending Plan for the Browns (p. 114). Next make a spending plan for the Browns for the next month. Remember that fixed expenses do not change much from month to month, so you can merely transfer those figures to the "Amount Planned" column. Add up the fixed expenses and subtract from the monthly income to see what is left for flexible expenses. Together, we will decide how much the Browns can afford to spend in each category so they will stay within their income and repay the friend who loaned them money within the next two months. [As teacher, you may find the following suggested expenses helpful, though these are not the only possible solutions. Use a transparency to record the figures.]

Suggested Flexible Expenses

Food	$175.00	Transportation (bus)	$ 22.00
Clothing	35.00	Recreation	12.00
Laundry	6.00	Contributions & gifts	30.00
Household expenses	25.00	Personal	20.00
Medical expenses	25.00		
Education (school supplies)	2.00		$352.00

Discuss the following questions:

If the Browns decide to begin saving money each month for emergencies, which expense item could they take this from?
If the Browns do not spend the money for medical expenses next month, should they spend it for something else? Why?

APPLICATION: Now you are ready to make your own spending plan. Remember that this is to be your plan and that each plan in the group will be different. Your plan will be different because your families vary in size, tastes, priorities, preferences, and age of the family members. As you make your plan look back to What Is Our Income? and What Are Our Expenses? sheets which you filled out.

Discuss your plan with the rest of your family and then fill in the "Amount Planned" column on the Spending Plan Work Sheet (p. 115) which should be distributed to them.

Continue to keep a record of your spending for a month, then fill in the Amount Spent column. At that time you should compare the figures in "Amount Planned" column with the figures in the "Amount Spent" column.

KEY IDEAS: A spending plan can enable a family to effectively use its resources.

It is important to know one's expectations before making a spending plan.

A successful spending plan is based on the individual family's income and expenses.

Determining goals is one step in making a spending plan.

A SPENDING PLAN FOR THE BROWNS
(Handout)

Meet the Brown family! They are Mr. and Mrs. Brown and their two children, Mary and John. We will use the Brown family's expense records to help us learn to make a spending plan. Their monthly income is $575.00.

Here are their expenses:

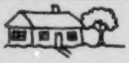
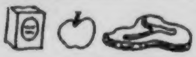
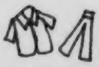
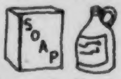
The Browns pay $130.00 rent, $20.00 on a life insurance policy, and have installment payments for a winter coat for Mr. Brown and a rug for the living room that add up to $40.00. Their electric bill is $30.00, their gas $20.00, telephone $14.00, and water $5.00.

Last month they spent $175.00 on food, $25.00 for John to go to the dentist, $35.00 on a pant suit for Mary, $6.00 to do the laundry, $2.00 on a notebook for John, $22.00 bus fare for Mr. and Mrs. Brown to go to work (the children walk to school), $12.00 for tickets to a movie, $25.00 for household expenses, $30.00 to their church, and $20.00 on cigarettes, lipstick, toothpaste, and shampoo. They spent $36.00 more than they had and Mr. Brown borrowed that from a friend promising to repay him within two months.

The Browns are in the process of meeting two of their goals--the coat and the rug. This is the last payment on the coat. Next month the Browns will have the $20.00 they had been paying on the coat to repay their friend. Another goal is to take Mary to the dentist for her check-up in two months and to get a birthday present for John next month.

SAMPLE SPENDING PLAN WORK SHEET
(Handout)

Income

Expenses	Amount Planned	Amount Spent
Housing (Rent) 		
Insurance Health Life Car		
Utilities Electricity Gas Telephone Water		
Installment payments		
Other		
Food 		
Clothing & laundry 		
Household expenses 		
Medical expenses		
Education (school supplies)		
Transportation (car, bus)		
Recreation		
Contributions & gifts		
Personal care SHOPPING MALL		
Total Expenses		
Total Income		

UNIT III: PLANNING

III-3: Record Keeping

OBJECTIVES:

Name the types of records which need to be kept
Demonstrate ability to keep financial records
Construct a family business center
Explain the value of records as a guide for future planning

VOCABULARY:
family records
checking account
envelope form
family business center
savings account

Planning the use of your money can improve your life. Record keeping is a key to planning. It is not very complicated and takes no more than five minutes a day. The records should be simple but accurate. Keeping records will help you watch your spending habits.

[Use visual (pp. 121-122) to list the types of records which need to be kept by a family.]

Income and expense records:

All legal evidence of ownership of all assets, including savings passbook, U.S. Bonds, deeds and titles to property.
All legal evidences of debt and its cancellation, including notes, finance contracts, income tax returns, tax receipts, cancelled checks and other important receipts.
All insurance policies, including automobile, health, liability, and life, whether group or individual policies.

Other important items such as:

Birth certificate for each family member.
Diplomas
Divorce and support papers
Family health records (immunization, etc.)
Immigration papers
Licenses
Marriage certificate
Naturalization papers
Registrations
Social Security card for each member
Wills

[Use the skit, Where Is It? (p. 123), in which family records are misplaced or destroyed because of lack of organization.]

What might this family have done to keep from losing the records?
Where could they have kept them?
Why would it be a good idea to keep them all together?
What is a safe deposit box?
What records would be safest in a safe deposit box?

Suggest ways for setting up a family business center. [Use Keep Up With Your Business (p. 124) for handouts.] Work with your families in setting up a business center and report results to class.

There are a number of ways to record income and expenses and to keep family records. All have good points and bad points. You must choose the one that best fits your family.

A good method of keeping records should...

1) Take less than 5 minutes a day and a little longer once a month.
2) Show income and expenses.
3) Show how the spending is divided among the different items such as food, housing, and clothing.
4) Show how much different family members are spending.
5) Show the date when important items were bought.
6) Show total amount spent for each different item, such as food, housing, clothing.
7) Subtract total amount spent from income that month.

Keeping these points in mind, let's look at the different record keeping methods to see if one might fit your needs. [Show a display illustrating various record keeping methods.]

> Checking account--A safe and convenient place to keep money. Cancelled checks provide a legal receipt of payment for bills and a record of past spending. There is usually a service charge based on the number of checks written each month and the size of the balance kept in the account. You must decide whether the convenience offsets the cost.
>
> Envelope form--Small amounts of money may be kept in envelopes, boxes, or jars, marked for "laundry", "allowance", "food", "utilities", or "recreation".
>
> Savings account--This is a place to keep money for the things you must save a long time for or money for emergencies. You will receive interest on this money, which will add a small amount to what you have saved.

The checkbook method

Many families find a joint checking account works better than assigning specific sums to one family member or putting them in envelopes. They pay bills and draw cash as needed to meet their requirements within agreed-upon limits. They can see where they stand by frequently reviewing the checks written during a given period and changes in bank balances and bills owed. Such a summary made, say, once a week can give a good overall picture, although it may fail to show where cash went. This gap may be filled in by keeping receipts for cash purchases and totaling them.

The envelope system

Some people who shy away from figures find the envelope method the simplest way to live within their plan.

The envelope method may be used if your income is small. The money for paying bills is divided and placed in different envelopes labeled with the purpose for which the money is to be spent.

A slip of paper should be kept in each envelope. If money is put in or taken out, the date, the reasons, and amount are written on the slip of paper. At the end of the month the envelope slips can be totaled. These slips are your record to see if your spending has stayed within your spending plan. Any money left over can be put in the envelopes for the next month's bills, or put in a savings account, bank account, reserve envelope, or other safe place.

There are obvious disadvantages to the envelope system. There is the danger of theft or mislaying of cash left lying about the home. There is also the inconvenience of not having the right envelope when a purchase has to be made. If the money in one envelope gives out before the end of the period, the family must decide whether to (1) go without any further purchases until the next pay check; (2) "borrow" from one of the other envelopes, which means cutting planned expenses in the envelope "borrowed" from; (3) dip into the "emergency" or "big need" reserves or draw on savings, if any; (4) borrow; or (5) buy now on credit and pay later.

If these disadvantages do not bother you, the envelope method provides an easy way to know what has been accomplished financially and what has been sacrificed in each time period.

Savings account plus checkbook

Some families use a savings account for reserves and set-asides for such things as taxes and other expected large expenses of the year, and a checking account for their monthly and weekly needs. A second savings account for permanent savings or for the accumulation until specified large wishes can be met helps keep funds straight and allows temporarily unused funds to earn interest.

Envelope system plus checking account or savings account

To avoid the problems of having too much cash at home, some families use a combination of methods. They may keep money for monthly expenses such as rent, utilities, and installment payments in a checking account and add a certain amount each week. Reserve funds may go in a savings account. Money for weekly expenses such as food, clothing, and household and personal expenses may be kept in envelopes at home.

[Pass out Record Keeping Methods handout (p. 125) for in-depth information.]

Practice using the envelope system by using The McDonald's System (p. 126). [Have participants play the roles of family members. Have them follow a family's income and expenses for a week, dividing each paycheck into the envelopes, paying expenses from the envelopes, and recording them on a record sheet. Observers may merely record income and expenses on record sheets.]

> What do you think about the envelope system?
> If you made more money than the McDonalds, would it be safe to keep a lot of money at home?
> How could you combine using a checking account with the envelope system?

Why do you feel the spending plan was valuable to the McDonalds? [Refer to pp. 127-129 and record sheet on p. 101.] How could these records aid the McDonald family in planning for future spending? (They could tell them where they were over spending and need to cut down in the future. They may indicate where more money was allowed than was needed. They will know how much money they have left after paying necessary expenses.)

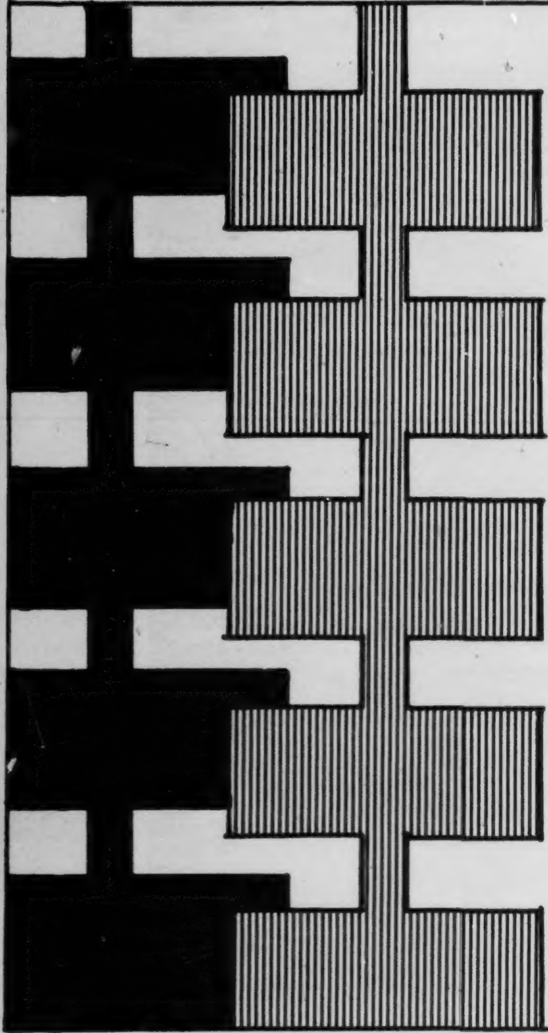
We have seen how the envelope system worked for the McDonalds. You might decide to use this plan for your own family or your family might prefer to use a checking account. This is up to you and your family. The important thing is that you make plans and keep records. You have had some practice doing both of these. Now it is up to you and your family to continue to make plans and keep records for the rest of the year. It may seem hard at first, but like most things, you learn, the more practice you get the easier the task becomes. If you work at planning your spending, you should find that your goals are easier to reach.

APPLICATION: Give participants 12 copies (one for each month) of the record sheet for them to make their own financial record book. (p. 101)

KEY IDEAS: A family needs to keep records and to keep them in a safe place.

Any of several methods of record keeping may contribute to successful organization of the family financial records.

Keeping records of income and expenses can help in planning for the future.



FAMILY RECORDS

INCOME & EXPENSE RECORDS

EVIDENCES OF OWNERSHIP

EVIDENCES OF DEBT
AND ITS CANCELLATION

ALL INSURANCE POLICIES

OTHER IMPORTANT ITEMS

DIRECTIONS FOR MAKING FAMILY RECORDS POSTER

Materials Needed:

- 1 sheet colored poster board 22" x 28"
- 4 sheets construction paper
- scissors
- glue
- black felt-tipped marker

1. Cut construction paper into strips and join ends of paper to form a strip the width of the poster board.
2. Glue two strips of the same color on one side of the poster board.
3. Repeat with another harmonizing color of construction paper. Stagger these two strips over the two already glued on poster so that both colors show.
4. Letter

WHERE IS IT?
(Skit)

Everyone at the Jones house is in a dither. Ralph Jones can't find the W-2 form which was sent to him a few weeks ago. He must have this form before he can fill out the income tax form. Jimmy is dumping everything out of the wastebaskets in an unsuccessful attempt to find the missing form.

"I know I left it on top of the desk," declares Mr. Jones.

"Why don't you check in the drawers?" suggests Mrs. Jones, as she begins to go through the things on top of the coffee table. "Lynn!" calls Mrs. Jones, "Will you come help us look for your father's W-2 form?"

"What does it look like?"

"It's in a small white envelope," replies Mr. Jones.

"Well, I've found last October's bank statement," says Mrs. Jones. "I wonder what it was doing there!"

"Is this it?" asks Jimmy.

"Let me see," says Mr. Jones, "No, that's not it, but it is the car insurance policy. It really should be kept in a safe place."

"And here is your Social Security card being used as a bookmark, Ralph," says Mrs. Jones, "I wonder how we ever got things scattered all over the house."

KEEP UP WITH YOUR BUSINESS
(Handout)

A handy place for family records is important for good planning. If records are lost or cannot be found when needed, planning becomes very hard. So begin today to plan a place to keep your family's records.

A place to keep the records is essential. A desk or table and a straight chair may be used. The desk may be a regular desk, a piece of furniture made into a desk, a table, or an old door on building tiles. You may decide to keep your records in a box provided for this purpose. This center should be known in your family as the business center.

Try to place the business center where there is good light for working both day and night. Is should provide a place for pencils, pen and ink, paper clips, rubber bands, address book, or other small equipment you may have. It needs a place to file your family's spending plan, expense record, receipts, cancelled checks, income tax records, etc.

Having a handy place to plan, to keep records, to write letters, and to keep important papers, saves time and worry and helps you and your family have a happier life.

Some Ideas for Your Business Center

1) Homemade file. Use a heavy cardboard box. You may want to cover it with paper or cloth. Make dividers by cutting the sides of boxes to the size you need and covering them, too.

2) Letter holder. It's easy to remember to pay bills when you put them in your letter holder. You might use the heavy cardboard box that cheese comes in and cover it with paper or cloth.

3) Receipt file. A recipe file makes a handy place to file receipts you need to keep so you can prove you have paid your bills. Receipts are also needed for tax records if you itemize your deductions.

4) Reminder pad. Pads made from blank newsprint paper can be purchased inexpensively. This is great for figuring and for reminders.

5) Small boxes. For rubber bands, paper clips, etc. Use small boxes, margarine containers, small cans, or baby food jars. Label them plainly.

6) Valuable paper file. Valuable papers may be kept in inexpensive, heavy envelopes in a box or old notebook tied with string to keep them secure. Be sure to label each envelope and the box, so you will know what is inside.

7) Wastebasket. Can be made from a square box, ice cream carton, old pail or hat box and covered or painted as you wish.

RECORD KEEPING METHODS
(Handout)

A GOOD METHOD OF KEEPING RECORDS SHOULD...

1) TAKE LESS THAN 5 MINUTES A DAY AND A LITTLE LONGER ONCE A MONTH.

2) SHOW INCOME AND EXPENSES.

3) SHOW HOW SPENDING IS DIVIDED AMONG THE DIFFERENT ITEMS SUCH AS FOOD, HOUSING, AND CLOTHING.

4) SHOW HOW MUCH DIFFERENT FAMILY MEMBERS ARE SPENDING.

5) SHOW THE DATE WHEN IMPORTANT ITEMS WERE BOUGHT.

6) SHOW TOTAL AMOUNT SPENT FOR EACH DIFFERENT ITEM SUCH AS FOOD, HOUSING, AND CLOTHING.

7) SUBTRACT TOTAL AMOUNT SPENT FROM INCOME THAT MONTH.

THE MCDONALD'S SYSTEM

(Handout)

Directions: Give the "family" 13 envelopes labeled as follows:

- Food
- Rent
- Household supplies
- Transportation
- Clothing and laundry
- Personal
- Medical and dental care
- Recreation
- Savings
- Education
- Utilities
- Church and gifts
- Installment payments

Participants also receive one copy of Our Family Income and Expenses (p.101) with the same headings.

Give everyone play money to place in envelopes and use for "paying bills" as the teacher reads the story (pp. 127-129).

Give Father $34.00, Mother $34.00, Charles $8.00, and Jim $6.00.

THE MCDONALD'S INCOME AND EXPENSES
(Handout)

You will be keeping records for the McDonald family for the month of March. Enter the month and year at the top of their record sheet.

The McDonald family consists of Mr. and Mrs. McDonald and their three children, Charles, Jim, and Susan.

Mr. McDonald's take-home pay is $75.00 a week. His boss told him he would make $100.00 a week, but after income taxes, social security, and other deductions, Mr. McDonald gets $75.00. He is paid each Tuesday. The McDonalds expect a total income of $600.00 including Mrs. McDonald's income which is about $65.00 a week, and Charles and Jim contribute another $10.00 a week from the money they make.

The McDonald's goals for March include:

Pay off Charles' coat
Save $24.00 toward purchase of washing machine
Stay within income
Gift for Susan's birthday

The McDonalds use the envelope system to divide their income into the amounts planned for different purposes. They have allowed the following amounts for each purpose. The amount for each purpose is shown at the bottom of the record sheet beside the words "Amount Planned." This is the amount the McDonalds plan to spend for each purpose this month.

$250	Food
36	Clothing and laundry
150	Rent (paid monthly)
30	Utilities
38	Transportation
8	Household supplies
8	Personal
22	Medical and dental care
10	Education
10	Church and gifts
10	Installment payments
24	Savings
4	Recreation
$600	Total planned expenses

On each of the envelopes they have entered the amount they must pay in that envelope each week. These figures were found by dividing the monthly amount by four (the number of weeks in a month).

$62.50	Food	$ 5.50	Medical and dental care
9.00	Clothing and laundry	1.00	Recreation
37.50	Rent	2.50	Education
7.50	Utilities	2.50	Church and gifts
9.50	Transportation	2.50	Installment payments
2.00	Household supplies	6.00	Savings
2.00	Personal	$150.00	

Mr. McDonald received his paycheck of $75 on Tuesday, March 3. Mrs. McDonald's boss, Mrs. Brown, pays her $65 the same day for the work Mrs. McDonald did for her last week.

Divide Mr. McDonald's paycheck of $75.00 and Mrs. McDonald's $65 and put the amount needed for the week in these envelopes. Together they have $140. Enter this amount on your record sheet.

$ 48.50	Food
9.00	Clothing and laundry
37.50	Rent
7.50	Utilities
9.50	Transportation
2.00	Household supplies
2.00	Personal
2.50	Education
2.50	Church and gifts
2.50	Installment payments
5.00	Recreation
6.00	Savings
5.50	Medical and dental care
$140.00	

Food needs fourteen more dollars. The other members of the family will put their pay in this envelope.

On March 6, Charles receives his pay for his paper route. He gives $8 of his pay for family expenses. Enter this amount under income on the record sheet. Put this in the food envelope.

$ 8.00 Food

Jim is paid Saturday for the odd jobs he has done for Mr. Smith at the neighborhood grocery. He contributes $6 of it toward family expenses. Record his pay under income on the record sheet and put it in the food envelope.

$ 6.00 Food

Saturday afternoon the McDonalds filled their old car with gas. It cost $7. Enter this amount on the record sheet and take the money out of the transportation envelope. Next the McDonalds went to the grocery store. They spent $60 on groceries. Take $60 out of the envelope marked food and write this amount down on the record sheet. Susan needed a new tablet and pencil, Jim needed notebook paper, and Charles needed graph paper. This cost $1.50 from education. Mother bought soap for $2.00. Soap is a household supply. The family also bought toothpast for $1.50. Toothpaste comes under personal. Mother found a blouse on sale for $4.00. Put this under clothing.

On Sunday the family went to church. They gave $1.00 to the church.

Let's see what happens in just one envelope as the month goes on. Father is paid again on March 10. His paycheck is divided this week as it was last week. Let's see what is happening in the rent envelope.

Last week we put $37.50 in this envelope. The rent is due at the end of the month, so none of it was spent. This week we added $37.50 to this envelope. Now there is $75 in the envelope. If the McDonalds add $37.50 to the rent envelope the next two weeks, how much money will they have at the end of the month? ($150) How much will they have after they pay the rent? ($0)

The McDonalds' expenses for the rest of the month have been recorded for you. Add up each column to see how much was spent for each purpose. Did the McDonalds stay within their spending plan?

Was there enough money to pay the utilities at the end of the month? Did the McDonalds meet their goals? Did they make the last payment on Charles' coat? Buy a present for Susan? Add $24.00 to savings? (At the end of the month the McDonalds will also have enough money to pay for utilities, buy a present for Susan, make the last $10 payment on the coat for Charles bought 4 months ago, but will have failed to add $24 to their savings at the bank.) On the whole, did the McDonalds have a fairly good plan? (Yes) Was it flexible? (Yes)

UNIT III: PLANNING
III-4: Follow Your Plan!

OBJECTIVES:

Identify family communication as important to the success of a spending plan
Illustrate consumer habits which influence the success or failure of a plan
Construct plans according to changing conditions
Analyze criteria for evaluating a spending plan
Evaluate the results of a spending plan

VOCABULARY:	shopping skill	impulse buying
	evaluate	installment credit

Making and using a spending plan involves several steps. The first one is to know what you want and the second is to make a spending plan. This is what we've done in the last two classes. The third step is to follow that plan. This is the part that is up to you. You may find as you try to use your plan as a guide that you will need to make some changes, but don't give up. Almost everyone has to make changes before they are satisfied with their plan.

Let's look at some things you can do to help make your spending plan work. [Use transparency (p. 135) to illustrate points. Make cards with one of the statements under each Roman numeral below per card. Pass these out for participants to read as each cartoon on the transparency is shown or let them tell what is in the cartoons. Discuss each statement.]

I. Develop shopping skill.
Buy weekend specials or at sales.
Use a shopping list so you won't be tempted to buy extra items.
Buy secondhand items when they are suitable.
Compare prices.
Buy in quantity, if you can afford to.
Beware of bargains, especially if you don't really need them.
Pay cash if possible.

II. Decrease impulse buying.
Everyone is tempted to give in to these impulses once in a while, but if it happens every time you go shopping, your plan for spending will soon be useless.

III. Use installment credit only when necessary.
Items bought on credit cost more, so credit should be used only when necessary.

IV. Take care of goods you possess.
Clothes last longer and look nice longer if they are kept clean and neatly stored. Food keeps better when it is properly stored. Equipment lasts longer and works better when the manufacturer's instructions are followed. When we take care of our possessions, they last longer and we get more for our money.

V. Learn to use resources other than money.
Skills of family members can be used and then others will not have to be paid for their services. For example, if a family member can learn to fix certain items, repair persons won't have to be called.
Use the city parks and recreation centers for free entertainment.

Sometimes spending plans fail. Why does this happen? [Use transparency (p. 136) as basis for discussion.]

I. Needs of family haven't been planned for.

Some things are needed by the whole family, others are needed by individual family members. All wants cannot be satisfied, so the most important ones must be agreed upon so the family can work toward these.

II. Your family tries to use someone else's spending plans.

You may see spending plans (budgets) in the newspaper or in a magazine. These plans probably won't fit your family, but may give you some ideas for making your own spending plan. A spending plan is personal. It must fit your family's needs.

III. Family members spend first and think later.

If something is needed or desired that isn't in your spending plan, the family must decide to substitute it for some planned purchase which may be postponed. If a family member purchases something without considering other family needs, a spending plan cannot succeed.

IV. The family is too impatient to give its spending plan a fair trial.

It takes time to make a spending plan that fits your family's needs. Your plan probably won't be completely successful the first time you try it. Be patient. Revise your plan and try it again until it works.

Can you think of other reasons a spending plan might fail?

[Divide participants into groups and give them situations from Four Families' Spending Problems (p. 137) in which families are having difficulty with their spending plans. Let them identify the problem and decide what the family might do to solve their problem.]

[Ask volunteers to read aloud the case study Communication is Important (p. 138).] The story you are going to hear is about a family which has poor communication among family members. Listen for answers to the following questions which will be discussed after the story is read.

Why didn't the Murphys' spending plan work?
What can the family do to make their plan work?
Can you think of other ways communication might affect the successs of the family's plan?

[Follow the format for Communication is Important (above) for the next activity.]

Read A Change of Plans (p. 139) in which plans had to be changed.

Discuss the following questions:

Must a plan always be followed through?
What changes could occur which might make changing plans necessary?
Let students suggest what choices the family might consider now.

Once a family has followed their spending plan for a while, they will probably want to decide whether it works and how they could change it to make it better. This is called evaluating.

To evaluate how good your plan is, you need to know what to look for. Here are some questions which can help a family evaluate the results of their spending plan.

[Using a take-apart visual (pp. 140-141), let one participant at a time add criteria for evaluating the results of a plan. Ask participants to explain criteria in their own words.]

As a group, discuss the importance of these questions as each criterion is added.

1) Did you spend for some items you hadn't planned for? Why? What should you do next time? Do you think it would be wise to live from paycheck to paycheck, never having any money left by the next paycheck?
2) Were you unable to get some of the things you wanted? Why?
3) Did you spend more than you planned? Would living "in the red" bother you? (In the red--spend more than we have by purchasing too many items on credit)
4) Did you spend more than you should have for some items?
5) Do you feel good about your plans and your record keeping? What would you change next month?
6) What new things should you plan for next time?
7) Was your plan realistic? Were your estimated expenses much too high in one place and much too low in another? Did you live creatively by planning the use of your resources to meet most of your goals?
8) Were you able to change your plan if needed? Were you able to meet unplanned expenses or emergencies without upsetting the whole plan?

Review the story about the McDonalds (pp. 127-129) briefly, and work in groups to apply these criteria to the case study in the previous lesson on The McDonalds' Income and Expenses. What was the one thing the McDonalds might want to work harder to improve?

APPLICATION: Play the game (pp. 142-145) on planning your spending and discuss answers.

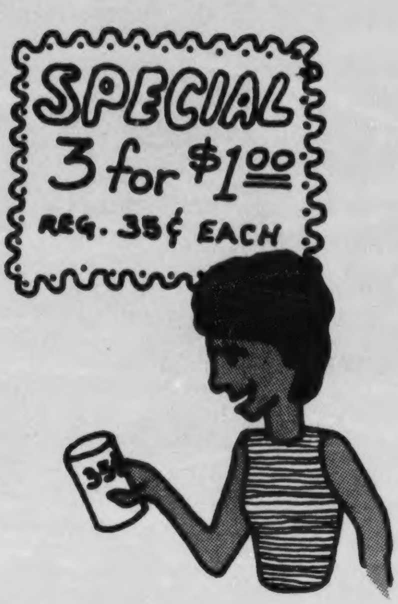
KEY IDEAS: The success of a spending plan depends upon consumer habits.

The ways plans are communicated in the family affect their success.

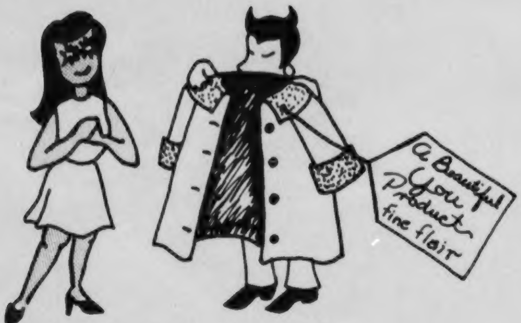
Plans may need to be checked and changed when needs change or emergencies occur.

A criterion for measuring the success of a spending plan aids in evaluating.

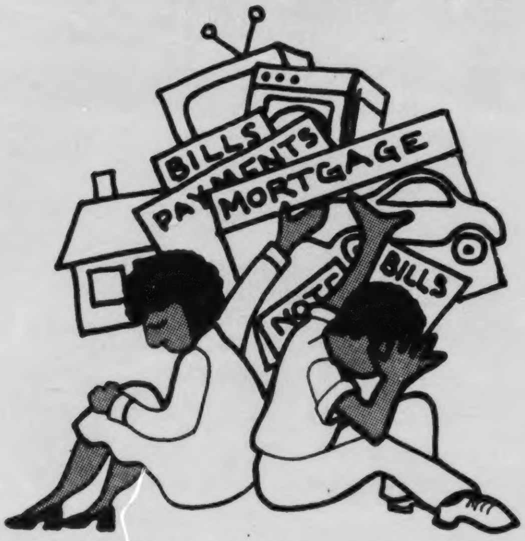
Evaluation is needed for future planning.


SPECIAL
3 for $1.00
REG. 35¢ EACH
35¢

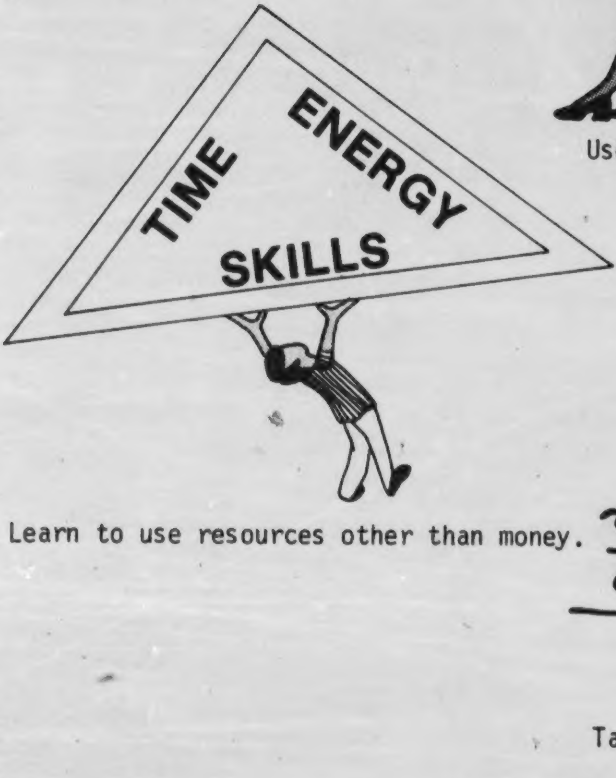
Develop shopping skills.


A Beautiful You Product fine flair

Decrease impulse buying.

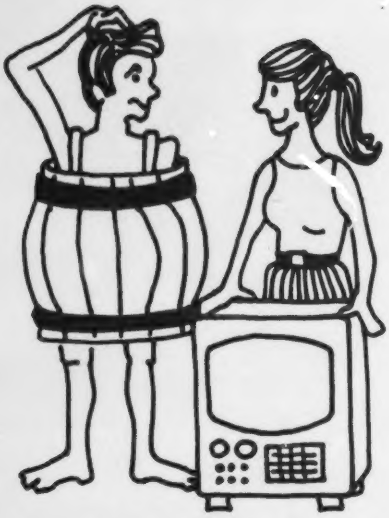

BILLS
PAYMENTS
MORTGAGE
NOTES
BILLS

Use credit only when necessary.

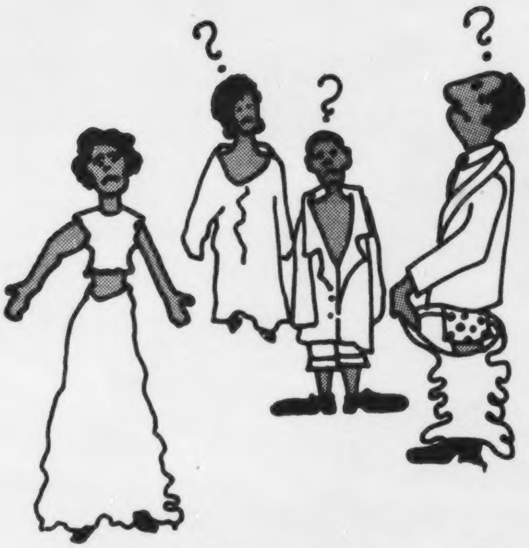

TIME
ENERGY
SKILLS

Learn to use resources other than money.

Take care of goods you possess.

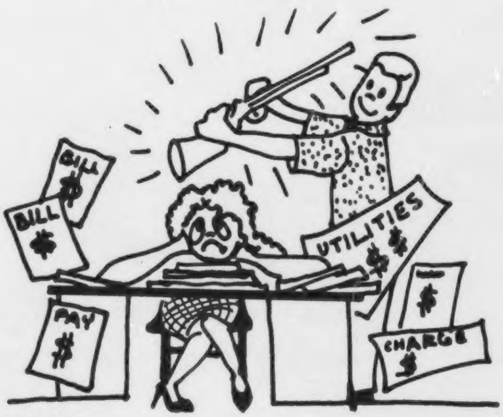


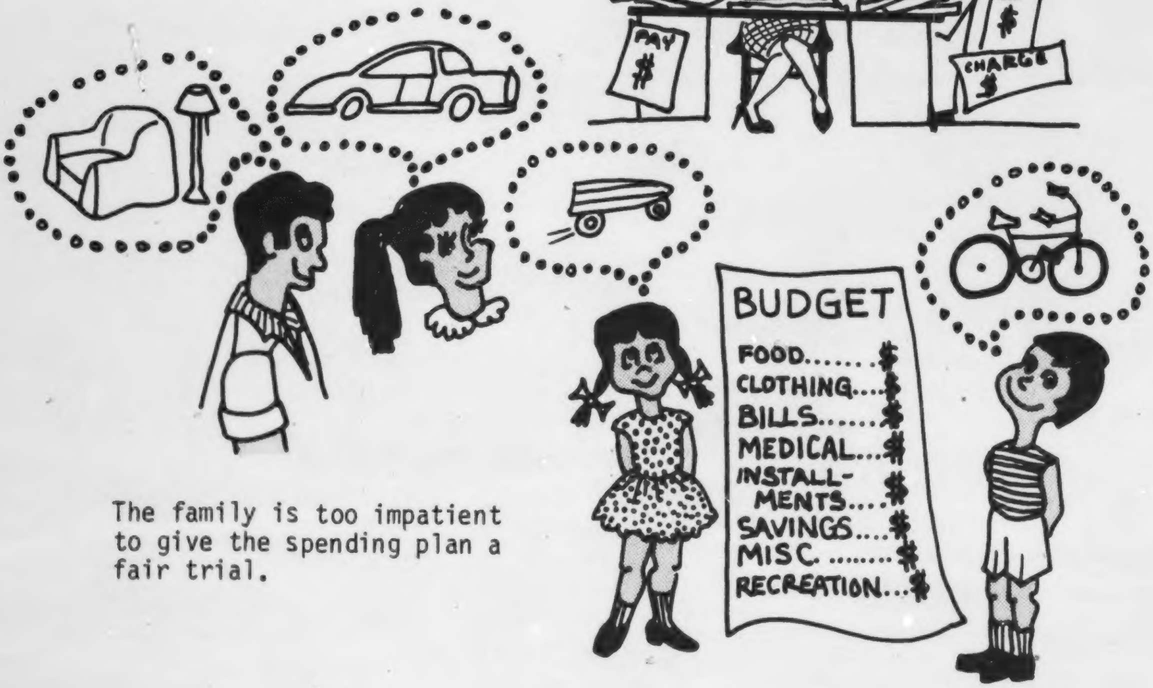
Needs of family members haven't been planned for.



Your family tries to use someone else's spending plan.

Family members spend first and think later.


BILL $
BILL $
PAY $
UTILITIES $ $
$
CHARGE $


BUDGET
FOOD.......$
CLOTHING....$
BILLS......$
MEDICAL...$
INSTALL-MENTS....$
SAVINGS....$
MISC. ....$
RECREATION...$

The family is too impatient to give the spending plan a fair trial.

FOUR FAMILIES' SPENDING PROBLEMS
(Situations)

1. Mrs. Martinez has found a sweater on sale which would be just right for Lupe to wear to school. It is a nicer sweater than could be afforded otherwise. The plans were to buy school shoes for Juan this month and a sweater for Lupe next month. The family cannot afford to buy both. What could Mrs. Martinez do?

2. The Williams family has a problem. Mrs. Williams needs an operation, but the Williamses have very little savings. They have a lot of installment payments on their furniture, car, washing machine, and refrigerator. If you were advising the Williamses, what would you tell them about their present spending? What should they have done to provide for emergencies?

3. Mrs. Wilson found a spending plan in a magazine. She decided to try it for her family. The plan was made for a family of four. Mrs. Wilson's family has six members. Do you think Mrs. Wilson's spending plan will work? Why or why not?

4. Mrs. Johnson has received a raise. She will get $40 more pay each month. She goes to the store and buys a new stereo for the family car to celebrate, but doesn't plan to tell her husband for a while. The stero won't be ready for a few days anyway. She announces the new raise when she gets home. Mr. Johnson suggests they all go out to eat and to a show. The next day Tommy blows his allowance on soft drinks and candy, thinking his allowance will be bigger now that his mother has a raise. The same day Leslie put a $40 outfit on lay-away, planning to pay for it with Mother's raise. The Johnsons have spent $150 in the three days since Mrs. Johnson got her raise. What mistakes have the Johnsons made?

COMMUNICATION IS IMPORTANT
(Case Study)

MR. AND MRS. MURPHY HAVE DECIDED TO FOLLOW A SPENDING PLAN. THEY SAT DOWN AND DECIDED WHAT THEY WOULD SPEND FOR EACH PURPOSE. THEY HAVE ALLOWED $40 FOR CLOTHING EACH MONTH. MRS. MURPHY BOUGHT A NEW OUTFIT FOR $40. MR. MURPHY GOT ANGRY BECAUSE HE SAID HE NEEDED A NEW SUIT. MRS. MURPHY SAID SHE DIDN'T KNOW HE NEEDED A NEW SUIT. THE MURPHYS ALLOWED $175 A MONTH FOR FOOD. THEY WERE DOING JUST FINE UNTIL MR. MURPHY INVITED TWO COUPLES FOR DINNER. MR. AND MRS. MURPHY DIDN'T KNOW WHAT TO DO. THEY HADN'T BOUGHT ENOUGH FOR COMPANY AND HAD SPENT ALL THE FOOD MONEY FOR THAT WEEK.

A CHANGE OF PLANS
(Case Study)

MANUEL AND SARA GONZALES HAVE BEEN MARRIED ABOUT A YEAR. THEY HAVE MOST OF THE THINGS THEY REALLY NEED, BUT THEY WOULD LIKE TO BUY A BETTER REFRIGERATOR. THEIR OLD ONE DOESN'T WORK VERY WELL. THEY HAVE BEEN SAVING $60 A MONTH FOR THE REFRIGERATOR FOR THE PAST THREE MONTHS. THEN SARA LEARNS THAT SHE IS GOING TO HAVE A BABY. THE GONZALESES HAD PLANNED TO HAVE ENOUGH MONEY FOR THE REFRIGERATOR IN FOUR MORE MONTHS. THEY WILL HAVE TO PAY DOCTOR BILLS DURING THAT TIME AND SAVE MONEY FOR HOSPITAL BILLS AND NEEDS OF THE BABY.

EVALUATE RESULTS

- unplanned spending?
- plans accomplished?
- more than planned?
- over spent on items?
- plans & records OK?
- future plan changes?
- plans realistic?
- plans flexible?

DIRECTIONS FOR MAKING POSTER
(Take-apart Visual p. 140)

Materials Needed:

2 pieces colored poster board (22" x 28") in harmonizing colors
4 sheets colored construction paper (9" x 12")
Scissors
Black felt-tipped marker

1. Cut half of the triangles of one color construction paper.
2. Cut the other half of the triangles of a contrasting color construction paper.
3. Use marker to letter "Evaluate Results" on one sheet of poster board.
4. Cut 8 strips of second sheet of poster board, 1-1/2 inch wide.
5. On each strip, letter one phrase.
6. Glue triangles on poster.
7. Cut 2 slits 1-1/2 inch wide for each strip allowing room to slip 2 inch of strip through each slit.
8. Insert ends of the 8 strips into the slits.

PLANNING YOUR SPENDING
(Game)

Introduction to teacher

This game is a card sort consisting of thirty statements on planning your spending. The game may be used as both a pre-test and a post-test. When using it as a pre-test, explain, that the purpose of the game is to let students help you plan lessons on planned spending by telling you whether they agree or disagree with each statement. If you plan to use the game as a post-test, too, tell students that they will play the game to see if they have changed their minds about any of the statements. Be sure to discuss the game with students after playing it.

Constructing the cards

Divide construction paper into fourths or use colored ditto paper, using several colors. Print or type one statement (pp.143-144) on each colored card About 4" x 6") or on dittos (4 statements per ditto) to be run on colored paper. On three cards print the words, "I agree," "I don't know," and "I disagree." Draw representative caricature (p. 145) to go with each choice. On another card draw an owl (p. 145) saying, "Whoo," and provide a line for students to sign their names.

Sort the cards into piles so that the cards in each pile are in the same order. Provide one stack of cards (statements, choice cards, and name card) for each participant. Read the following directions or give participants a copy of the directions.

Participant Instructions - Getting ready to play

Step 1. Take the rubber band off and remove the three paper clips from the card with the owl on it. Write your name on the line.

Step 2. Remove the next three cards from the stack. Place the cards on the table in front of you in a row in the order--"I agree," "I don't know," and "I disagree."

Playing the game

Now we are ready to play. Each of the colored cards left in the stack has a sentence on it. To play the game, place each card below one of the three cards on the table. If you agree with the sentence, put the card below the "I agree" card. If you disagree, put the card below the "I disagree" card. If you don't know whether you agree or disagree, put the card below the "I don't know" card. Try not to put very many cards in the "I don't know" stack.

I (your teacher) will read each sentence twice. Decide whether you agree or disagree with the sentence or don't know and put the card in the correct stack. After the game we will talk about our ideas. Are you ready? (I will read each card slowly while you place the cards in the three stacks.)

After the game

(If used as post-test: Did you change your mind about any of the statements? Which ones? Why did you answer them differently?)

Now keeping your cards in order, place the "I agree," "I disagree," and "I don't know" cards on top of the stacks. Paper clip each stack together, put the card with the owl on top and put the rubber band around all three stacks. Leave the cards on your desk as you leave. (Or take them up.)

CARD SORT STATEMENTS

Group 1

Families who decide together how they will spend their money have fewer fights over spending than families where each member buys things he/she wants until the money is gone.

When you use a plan for spending your money, you must count every penny and write down every cent.

Trying to plan how to use your money will cause your family to get into more fights about money.

Having a plan for spending your money will take all the fun out of buying things.

Even after you learn how to make and use a plan for spending money, it takes too much time and patience to do it.

Making and following a plan for spending your money will help your family to get more of the things they want, such as a TV, a washing machine, or a new place to live.

Your family must know what it wants, such as a new washing machine, before you can decide how to spend your money.

Your family is more likely to get the things you want, such as a TV, and the things you need, such as food and clothing, if you work together to decide how to spend your money.

Children should not be included in deciding how your family's money will be spent.

To make your money spending plan work, you must know how much your family spends each month on things like food, clothing, and rent.

Writing down how much you spend and how much you earn for each month is one step in deciding how you will spend your money.

One way to get more out of your resources such as time and money is to make a plan.

Group 2

Since all families must have food, clothing, and a place to live, the same plan for spending money should work for most families.

To get a good plan for spending money for your family, cut one out of the newspaper or a magazine.

A good plan for spending your money is made to fit your family's needs for food, clothing, housing, and other things.

The easiest way to learn how your family is spending its money is to write down how much you spend for different things for a month.

Your family will probably get the things it wants even if you don't plan your spending.

You are more likely to get the things you want if you plan how you will spend your money and then follow your plan.

There are several good ways to keep a record of how you spend your money.

One way to keep up with how you are spending your money is to divide your pay into envelopes for different purposes such as food, clothing, and medical.

Group 3

Keeping all your important papers together in one place in a family business center makes them easier to find when you need them.

There is no reason to keep your important papers all together in one place.

When the month is over, your spending records should be thrown away.

Last month's records of what your family earned and what your family spent can help you plan how to spend your money next month.

Planning your spending will make it easier to say "no" to something you see in the store that you do not really need.

Shopping habits like using a shopping list or using credit carefully help to make your plan for spending your money work.

Skill in shopping such as comparing prices and shopping around before you buy can help you get the things you want and need for less money.

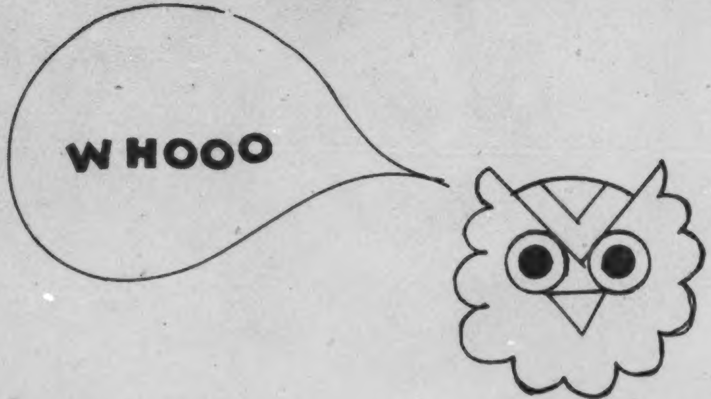
Group 4

You and your family should decide together the things your family needs, such as rent, and things they want, such as going to a movie.

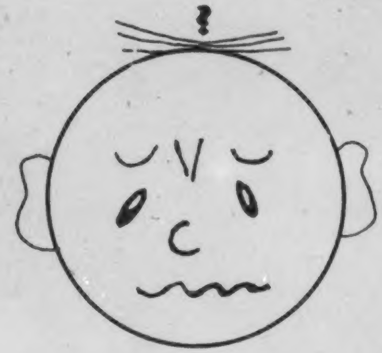
When you decide to buy something, there is no reason to tell anyone else in your family.

Your family will need to change its plan for spending money as your family changes--like when you have a new child or get a raise, or a child gets married and leaves home.

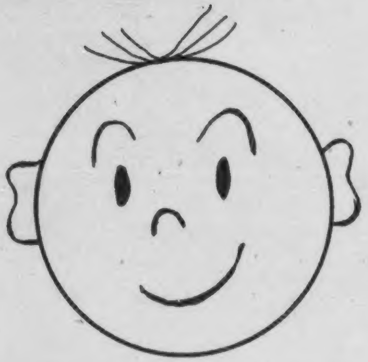
Once your family plans how to spend its money in a way that works well, you should never change your plan.



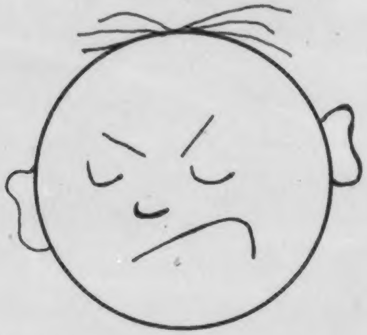
Name: ____________________



I don't know



I agree



I disagree

UNIT IV: BANKING
IV-1. Checking Account

OBJECTIVES:

- List important functions of a bank
- Identify who is eligible to open a checking account in a bank
- Describe reasons people use a checking account
- Describe procedures for opening and using a checking account
- Discuss the purpose of keeping your checkbook register
- Illustrate the steps in correctly writing a check
- Practice filling out forms for opening a checking account and writing checks
- Follow the correct procedures in filling out a deposit slip

VOCABULARY:

- bank
- checking account
- joint account
- deposit
- endorse
- forgery
- signature card
- automated teller
- account number
- authorization cards
- currency
- draft approval
- overdrawal or overdraft
- check
- checkbook register
- insufficient funds
- payee
- balance

What do you think of when you hear the word bank? [Let participants brainstorm for ideas.] Banks have a number of services we can use. Let's brainstorm to identify the services banks offer. (Checking accounts, savings accounts, loans, safe deposit boxes.)

We may say that a bank has three important functions:

1) Keep money safe
2) Make it easy for us to make payments
3) Put money to work by lending and investing it.

[Divide participants into three groups. Give each group one of the three functions listed above. Ask each group to discuss the function and describe how they think the function is performed by a bank.]

Checking Account

Today many people are using checks for many purposes. In fact, checks are used more often than cash for making payments in the United States. All a person has to do to make payments by check is to put money into his or her checking account at a bank and write a check to move the money from his or her account to someone else's account or to obtain cash.

Who can open a checking account?

1) Individuals--any person who wants to open a checking account in their name. Sometimes referred to as a personal checking account. Example: Miss Sue Doe or Fred or Jane Martin.

2) Businesses--any small business, company, corporation, etc. who wants to open an account for their business may do so. The checks are under a business account and heading such as J. & J. Electric Company. This type of checking account would be used to pay business expenses.

3) Clubs or Organizations--a group of people meeting together periodically and working together for a common purpose may open a checking account in the group's name. Usually, all dues and earnings the group makes go into the account. It is standard practice for one or two people to write checks on the account, such as the president or treasurer of the group.

4) Trustees, Agents, or Executors--these are terms used to describe a person, bank, company, etc., who acts for or in the place of another person by that person's authority. For example: Tom and Sue Jones stated in their will that in case of their death, the Second National Bank would be trustees for their three children. If Mr. and Mrs. Jones did die, the Second National Bank would handle the children's money for them until they reached legal age. making sure they were taken care of during this time. There would be a special checking account established for this purpose.

Why do people use a checking account?

1) Convenience
2) Checks serve as evidence of payment
3) No worry about having to carry cash or keeping large amounts of cash at home
4) Helps establish credit rating.

Opening a Checking Account

If you do not already have a checking account you may be interested in learning how to open one. You may open a checking account by depositing some money in the bank. A signature card must be signed. The bank will use this card to be sure that it was you who signed a check which has your name on it. If both wife and husband want to use the account, both must sign the signature card. An account owned by two or more people is called a joint account. Joint accounts of this nature should read "Mr. or Mrs.," and not "Mr. and Mrs." If the check reads "Mr. and Mrs." both parties must sign the check before it may be used as currency, which is another word for money or cash.

Making a Deposit

A check can be deposited:

1) in person
2) by mail
3) in an automated teller.

If you mail your deposit, write "for deposit only" beneath your signature on the back of the check. This insures that the check cannot be spent if it is lost or stolen.

Many people prefer the convenience of having their paychecks or Social Security checks mailed directly to their banks for deposit. This is done by filling out authorization cards giving your permission for the payroll department to forward the check to your bank to be deposited to your account. One card is kept at the employer's office and the other card is sent to your bank for their records. [Use transparency (p. 152).]

Many banks have installed computers to handle a lot of banking business for them. These computers are known as automated tellers. Every person who has an account with the bank is issued a personalized teller card, which looks like a credit card, and on a separate piece of paper the bank provides an individual number to use with the card. To make a deposit in an automated teller, follow instructions by that particular bank. Such instructions might be:

1) Insert your card into the slot and the protective cover raises presenting the operating keyboard.
2) Enter your individual number on the keyboard.
3) The message panel guides you through each step with visual instructions.
4) When completed you will receive a memo summarizing your transactions and your card will be returned.

You can do many things with an automated teller besides making a deposit. You can withdraw cash from your checking or savings account, transfer funds between accounts, and make a loan payment. The automated teller enables you to transact business whenever you like, 24 hours a day.

A deposit slip should be filled out when making the deposit in person or by mail. Your bank will furnish them. On the deposit slip you will write [Use the transparency (p. 153) :

1) Name*
2) Address*
3) Account number* (number given by the bank when an account is opened)
4) Date
5) Amount in currency (bills) and coins
6) Amount of checks to be deposited
7) Total amount of the deposit
8) Subtract cash received
9) Write the deposited amount

* May not be required or may be printed on the slip. [Show the transparency (p. 154) of a personal deposit slip.]

Deposit slips give you and the bank a written record of the deposits to your account.

If you receive a check on which your name is misspelled, endorse the check, spelling your name as it was spelled on the front. Then endorse the check again, spelling your name correctly. [Endorse means to sign one's name on the back of a check, money order, etc.]

When making deposit slips, remember that you should never endorse a check (sign the check on the back) until you are ready to deposit it.

APPLICATION: Let participants practice filling out a deposit slip. (pp. 153-154).

Keeping Your Checkbook Record

Accompanying your checkbook is a register for recording the checks you write and for figuring the amount of money left in your checkbook account. It is important to know how to keep your checkbook record: [Use transparency, (p. 155).]

1) Before writing out a check, write it down in your checkbook register (or on the check stub).
2) Write down the check number, the date, the name of the person or business to whom the check was given and the amount of the check.
3) Subtract the amount of the check from your balance. Your balance is the amount of money left over after all checks and charges have been subtracted from your checking account.
4) When you make a deposit, write the date and the amount of the deposit in your checkbook register and add the amount of the deposit to your balance.
5) To avoid making mistakes, subtract each check as soon as it is written and add your deposits as soon as they are made.

[Show participants example of the complete checkbook register using the transparency (p. 155).]

APPLICATION: Guide participants as they practice filling in a checkbook register. [Give each participant a Sample Checkbook Register. (p. 162).]

Writing a Check

To get your money from the bank to pay bills, you must write a check. Always be sure you have at least as much money in the bank as you write a check for plus enough to cover any service charge which may be charged to your account.

Another way of paying bills from your checking account is by draft approval. This means you have given written permission for a person, company, bank, etc., to withdraw from your account the money owed to them.

If you write a check or have given draft approval for more money than you have in the bank, this is called an overdrawal or overdraft. Most banks charge a fee for an overdrawn check. The bank will send your check back to the person you wrote the check to. The check will be stamped insufficient funds, meaning you did not have enough money in your account to cover the check. It is very serious to have a check returned and if you have checks returned very often criminal charges could be brought against you.

Never sign another person's name to a check. This is called forgery. Forgery is a crime; a person who commits forgery can be put in jail.

Many people do not write checks correctly. Why is it important to be careful how you write your checks? (A dishonest person could change the numbers or the person or place to whom the check is written.) Signatures must be written in writing, not printing.

It is a good idea to write your name differently than it is printed on your checks. This could prevent someone from taking one of your checks and forging your name on it. Your signature on the card that the bank holds for their records would be different from the forged one and the check could not be charged to your account. [See the transparency of the completed check (p. 156).]

It is very important to know how to write a check correctly. Let's review the steps in writing a check. [Use transparency (p. 156) for discussion.]

1) Use ink, never pencil, to fill out a check.
2) Number your checks one after the other in 1, 2, 3 order if they do not come with numbers printed on them.
3) Write legibly, print if necessary:
    a) the date
    b) the payee's name, or the person to whom money is or is to be paid
    c) the amount in figures
    d) the amount in words
4) Write the amount in figures close to the dollar sign.
5) The amount in words should be written as far to the left as possible. Fill in the unused space with a wavy line to the word dollars.
6) Sign a check only when it has been completely filled out.
7) Always use the same signature when you sign a check.
8) Never make corrections on a check.
9) If space is provided in the lower left hand corner of the check, write what the check is for. In Texas, this is required by law.

APPLICATION: Let participants practice filling out a check. [Sample checks, (p. 157), may be used.] BE SURE TO HAVE THEM TEAR UP ALL PRACTICE CHECKS.

KEY IDEAS: Banks offer numerous services which can aid the consumer in protecting one's money and other valuables.

Checking accounts offer many conveniences to the consumer.

Correctly filling out forms for opening a checking account, making a deposit, and writing a check is very important.

Keeping correct records on one's check stubs or checkbook register is essential in keeping your checking account balanced.

DEPOSIT AUTHORIZATION CARDS
(Transparency)

KEPT AT EMPLOYER'S OFFICE:

____
Social Security No.
Bi-weekly
Monthly

Instructions for Depositing
Salary Checks:

NAME ____________________

Department ____________________

Local Address ____________________

Name of Bank ____________________

Address of Bank ____________________

Exact Title of Checking Account ____________________

Bank Account Number ____________________

Signed: ____________________ Date __________

SENT TO THE BANK:

____________________ ____________ ____________
Name of Bank City State

Authorization has been given to the Payroll Department, __________ to forward for deposit to my account all salary checks and/or warrants due me.

Exact Title of Checking Account ____________________

____

Account Number ____________________

Signed ____________________

Local Address ____________________

Date ____________________

DEPOSIT SLIP
(Transparency)

DEPOSIT TICKET

Name Fred Martin

Address 114 Garden Ave.

Date April 14, 1980

Use the reverse side for listing more than three checks, insert total in space provided.

CITY NATIONAL BANK
Texas City, Texas 21435

Account Number 12-34-56

Currency		25	00
Coin		1	75
Checks List Singly	Kurt Jackson	29	00
	Melba Wood	35	68
	A-Acme Foods	98	07
	Total from reverse side	—	—
		—	—
SUB-TOTAL		189	50
LESS CASH RECEIVED		—	—
NET TOTAL		189	50

PERSONAL DEPOSIT SLIP
(Transparency)

For Deposit to
the Account of:

CHECKING ACCOUNT
DEPOSIT SLIP

1-5
123

FRED MARTIN
114 GARDEN AVENUE
TEXAS CITY, TEXAS 21435

Date ______________ 19__

Deposited in:
CITY NATIONAL BANK
Texas City, Texas 21435

1:0456:0203: 12-34-56

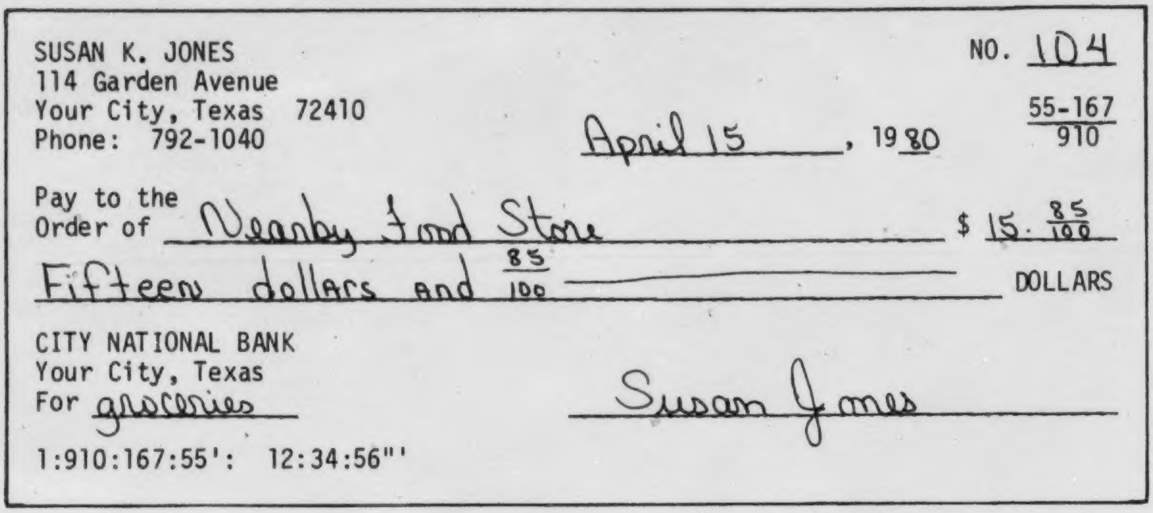
CASH	Currency		
	Coin		
Checks			
TOTAL			
LESS CASH RECEIVED			
NET DEPOSIT			

SAMPLE CHECKBOOK REGISTER
(Handout)

Please Be Sure to Deduct any Per Check Charges or Service Charges that may Apply to Your Account

Check No.	Date	Check Issued to	(-) Amount of check	✓	Date of Deposit	(+) Amount of Deposit	BALANCE 333.46
101	3/10	Reliable Insurance Co.	13.12				320.34
102	3/13	Alex's Clothing Store	7.25				310.10
103	3/15	Utility Company Deposit	4.64				305.46
104	3/18	Nearby Food Store	8.25				297.21
105	3/19	All Faith Church	12.00				285.21
106	3/21	Corner Drug Store	2.75				282.46
107	3/23	Minor Repair Shop	5.98				276.48
		Deposit			3/24	70.00	346.48
	3/24	U-Save Grocery Store	14.60				
	3/24	Electric Company	9.82				
	3/26	Phone Company	17.65				
	3/28	News Paper	3.00				
	3/28	Water Company	7.22				
	3/28	U.S. Mail Service	5.00				
	3/30	Mildred Hunt	10.00				
	4/3	Car Payment	65.00				
	4/7	Rent	77.25				

HOW TO SIGN A CHECK
(Transparency)



SUSAN K. JONES
114 Garden Avenue
Your City, Texas 72410
Phone: 792-1040

NO. 104

April 15, 1980

55-167
910

Pay to the Order of Nearby Food Store $ 15. $\frac{85}{100}$

Fifteen dollars and $\frac{85}{100}$ DOLLARS

CITY NATIONAL BANK
Your City, Texas
For groceries

Susan Jones

1:910:167:55': 12:34:56"'

SAMPLE CHECKS
(Practice Sheets)

Directions: Duplicate checks and staple at the top (or side) for practice in writing checks and reading checkbook register balances.

FRED MARTIN
114 GARDEN AVENUE
TEXAS CITY, TEXAS 21435

56-105/42

No. ______

DATE ____________ 19 __

PAY TO THE ORDER OF ________________________________ $ ________

________________________________ DOLLARS

FOR PRACTICE USE ONLY

CITY NATIONAL BANK
TEXAS CITY, TEXAS 21435

For ____________________ ____________________

1:0442'"06031 12-34-56

FRED MARTIN
114 GARDEN AVENUE
TEXAS CITY, TEXAS 21435

56-105/42

No. ______

DATE ____________ 19 __

PAY TO THE ORDER OF ________________________________ $ ________

________________________________ DOLLARS

FOR PRACTICE USE ONLY

CITY NATIONAL BANK
TEXAS CITY, TEXAS 21435

For ____________________ ____________________

1:0442'"06031 12-34-56

UNIT IV: BANKING
IV-2: Checkbook Balancing

OBJECTIVES:

Explain the purpose of keeping up-to-date records in a checking account
Practice writing checks and filling in a checkbook register
Try to reconcile a bank statement

VOCABULARY:		
	insufficient funds	service charge
	bank statement	outstanding checks
	reconciling a bank statement	cancelled checks

Keeping up-to-date records of the correct balance in your checking account is important to remember. By keeping good records you will know how much money you have in your account, and this will help to prevent checks from being written on insufficient funds or without enough money in your account to cover a check. Writing each check in your checkbook register is one step to keeping up-to-date records. A second step to keeping up-to-date records is reconciling your bank statement each month.

Reconciling Your Bank Statement

Each month you will be sent a bank statement. The bank statement will contain the cancelled checks you have written in the past month. The statement shows your bank balance at the beginning of the month. A list is given of all the deposits and withdrawals made to your account for the month. It may include a service charge, a charge based on the number of checks you gave and on your average daily bank balance. The bank statement will also give the amount of money in your account at the end of the month. (This may not be the balance in your checkbook.)

To keep your records up-to-date you need to check your records with the bank statement. This is called reconciling or balancing your bank statement.

1) Sort cancelled checks into order by number or date.
2) Compare each cancelled check and each record of deposit with your checkbook register and check off.
3) Subtract any service charge or charge for overdrawals from your checkbook balance.
4) List any check numbers that have not been charged to your account as outstanding checks. Write down the amount of these checks. (For example, Check No. 7 for $15.71 has not been charged to your account.)

Many banks provide a form on the back of the bank statement to help you find out if your checkbook balance is correct. These forms usually include the following steps: [Use the transparency (p. 166) to show participants a form to use in balancing an account.]

1) Write down the new balance shown at the bottom of your bank statement.
2) Add any deposits made since the bank statement was made.

3) Subtract any checks you have written since the bank statement was made and checks that did not come back as cancelled checks.
4) Check to see that the figure you get agrees with the balance you show in your checkbook.

If the balance does not agree with your checkbook balance, an error has been made and must be located. Compare the amount of each check to the amount recorded in your checkbook register. Make the corrections necessary if amounts were different. If all amounts are exactly the same, then check the arithmetic for each entry or transaction since the checkbook register was balanced last. Double check each deposit entry to be certain you wrote the correct amount in the checkbook register. Doing these things should bring your checkbook register and the bank statement into balance. If you cannot get your checkbook to balance, ask your banker for assistance. If the error is in the statement you received from the bank, report it to the bank as soon as possible. The bank assumes the statement is right unless you report any mistakes.

Safeguards to protect your checking account are:

1) Count new checks to be certain all are there.
2) Store unused checks in a safe place.
3) Notify your bank of any lost or stolen checks.
4) Deposit checks as soon as possible.
5) Check your monthly bank statement as soon as you get it.
6) Stop payment on old or lost checks.
7) Save cancelled checks for at least six years.

APPLICATION: Assist participants in reconciling Fred Martin's bank statement by using the sample provided. (pp. 161-166).

KEY IDEAS: Before writing a check, record it in your checkbook register.

To keep records up-to-date you need to check your records with the bank statement.

Get assistance from the bank if your checkbook register does not balance.

FRED MARTIN'S CHECKING ACCOUNT

Using the checkbook register from the previous lesson, have the participants reconcile Fred Martin's bank statement.

Each participant needs:

1) 1 checkbook register
2) 16 blank checks
3) 2 deposit slips
4) 1 bank statement
5) 1 balance sheet

Instructions:

Write out a check for each listing below. As your write out a check, be sure to write each check in Fred's register. As each check is entered in the register subtract the amount of the check from the balance in the account. You will be given the date the check was written, to whom the check was written, and the amount of the check. Note that each check has an individual number.

Check No.	Date	Person/Place	Amount
108	3/24	U-Save Grocery Store	$14.60
109	3/24	Electric Company	9.82
110	3/26	Telephone Company	17.65
111	3/28	News Paper	3.00
112	3/28	Water Company	7.22
113	3/28	U.S. Mail Service	5.00
114	3/30	Mildred Brown	10.00
115	4/3	Second National Bank	65.00
116	4/7	Texas Mortgage Loan Company	77.25

After you have filled out the checks and completed the check register, reconcile the bank statement. Follow the steps we discussed on how to reconcile a bank statement. To reconcile a bank statement you will need the cancelled checks (checks that have been charged to your account by the bank) the deposit slips, the bank statement, your checkbook register, a form to help you balance your account, and a pen or pencil.

SAMPLE CHECKBOOK REGISTER
(Handout)

Please Be Sure to Deduct any Per Check Charges or Service Charges that may Apply to Your Account

Check No.	Date	Check Issued to	(-) Amount of check		Date of Deposit	(+) Amount of Deposit	BALANCE

FRED MARTIN
114 GARDEN AVENUE
TEXAS CITY, TEXAS 21435

$\frac{56\text{-}105}{42}$

No. ______

DATE ____________ 19 __

PAY TO THE
ORDER OF ____ $ ________

____ DOLLARS

FOR PRACTICE USE ONLY

CITY NATIONAL BANK
TEXAS CITY, TEXAS 21435

For ____________________ ______________________________

1:0442'"06031 12-34-56

FRED MARTIN
114 GARDEN AVENUE
TEXAS CITY, TEXAS 21435

$\frac{56\text{-}105}{42}$

No. ______

DATE ____________ 19 __

PAY TO THE
ORDER OF ____ $ ________

____ DOLLARS

FOR PRACTICE USE ONLY

CITY NATIONAL BANK
TEXAS CITY, TEXAS 21435

For ____________________ ______________________________

1:0442'"06031 12-34-56

DEPOSIT SLIP
(Transparency)

DEPOSIT TICKET

Name ____________________

Address ________________

Date ____________________

Use the reverse side for listing more than three checks, insert total in space provided.

CITY NATIONAL BANK
Texas City, Texas 21435

Account Number ______________

Currency			
Coin			
Checks List Singly			
	Total from reverse side		
SUB-TOTAL			
LESS CASH RECEIVED			
NET TOTAL			

DEPOSIT TICKET

Name ____________________

Address ________________

Date ____________________

Use the reverse side for listing more than three checks, insert total in space provided.

CITY NATIONAL BANK
Texas City, Texas 21435

Account Number ______________

Currency			
Coin			
Checks List Singly			
	Total from reverse side		
SUB-TOTAL			
LESS CASH RECEIVED			
NET TOTAL			

FRED MARTIN'S BANK STATEMENT
(Handout)

Statement of
Account

Date of this Statement	Your Account Number
4-10-78	12-34-56

City National Bank
P.O. Box 010
Texas City, Texas 21435

Fred Martin
114 Garden Ave.
Texas City, Texas 21435

Use reverse for reconciling your account

Checks listed in order of payment--Read across

CHECKS	CHECKS	DATE	DEPOSITS	BALANCE
				248.46
		3-10	85.00	333.46
13.12		3-10		320.34
10.24		3-13		310.10
4.64		3-15		305.46
8.25		3-18		297.21
12.00		3-19		285.21
2.75		3-21		282.46
5.98		3-23		276.48
		3-24	70.00	346.48
1.05 SC		3-24		345.43
14.60		3-24		330.83
9.82		3-24		321.01
17.65		3-26		303.36
3.00		3-28		300.36
7.22	5.00	3-28		288.14
10.00		3-30		278.14
65.00		4-3		213.14
77.25		4-7		135.89

You Have Added Deposits Totaling		We Have Subtracted Checks Totaling		Less Service Cost	Resulting in Your Present Balance
Number	Amount	Number	Amount		
2	$155.00	16	$266.52	$ 1.05	$ 135.89

Please examine at once. Report any alterations, forgeries, or other irregularities directly to the Bookkeeping Department. If no error is reported in ten days, this statement will be considered correct.

EXPLANATION OF SYMBOLS

SC	Service Charge	L	Listed Checks
OD	Overdraft	R	Reversing Entry
OC	Overdraft Charge	M	Miscellaneous Entry
RT	Return Check	CD	Club Dues
RC	Return Check Charge		

THIS FORM IS PROVIDED TO HELP YOU
BALANCE YOUR ACCOUNT
(Transparency)

Outstanding Checks--Not
Charged to Account

Number or Date	Amount	
	$	
TOTAL		

Month ____________________ 19 __

1. Bank Balance Shown on this Statement $ ____

2. ADD + Deposits Not Credited in this Statement $ ____

____

____

TOTAL (1 and 2) $ ____

SUBTRACT Outstanding Checks $ ____

BALANCE $ ____

Should agree with your checkbook balance after deducting service charge (if any). The service charge (SC) for the previous month is shown on the other side of this statement.

UNIT IV: BANKING
IV-3: Other Services

OBJECTIVES:

Name the available services a bank provides
Explain the difference between a savings account and a certificate of deposit
Discuss why a safe deposit box is a good place to keep important papers and valuables
Prepare a list of papers and valuables which should be kept in a safe deposit box
Present the different types of loans

VOCABULARY:

bank draft
certified check
cashier's check
money order
traveler's check
government bond
certificate of deposit
maturity
safe deposit box
truth-in-lending
annual percentage rate
collateral
co-signer
default
default charge
defer
maturity date
note
refinance
repossess
scheduled payment
title
bank loan
installment loan
single payment loan
add-on loan
discount loan
auto loan
mortgage
personal loan
promisory note
signature note
creditor
holder-in-due-course
acceleration clause

Banks offer many services which can help a person protect their money and other valuables. Almost every individual or family at some time may need to use some banking services or obtain a loan for something they want.

Bank Drafts and Special Checks

Sometimes you may want to make a payment to someone who will not accept a personal check from you. This payment might be for making payments in another city, making a deposit for the buying of a house, or paying expenses when traveling. In these cases you can go to a bank and get a special type of check. A small price is charged by the bank for these checks. Some of these special checks are:

1) Bank Draft--a way of making a payment without your having to write out a check each month. This is done by your signing a card giving your permission for the bank to withdraw the money from your account and pay that money to the person or company who is drafting your account. Bank drafts may be used for insurance payments, house payments, car payments, etc. A bank draft is a good way to transfer money when the person who is making the payment is not known in the place the money is to be sent. Be sure to deduct the amount of the bank draft from your checkbook register on the date the bank pays it.

2) Certified Check--an ordinary check written by you in the usual way but the bank has stamped or written a certification on the check. This means the bank guarantees the check to be good. The amount of the check is deducted from your account immediately by the bank, and the check becomes an obligation of the bank rather than the depositor.

3) Cashier's Check--a check you buy from the bank to pay bills or to give money to another person. Usually, you give the bank cash for a cashier's check and pay a small fee for the service of a cashier's check.

4) Money Order--a way of transferring money from one person to another without sending cash. The order can be bought at post offices, banks, and many other places for the amount you want to pay to a designated person or company. A small charge is made for this service.

5) Traveler's check--a check you buy from the bank so you don't have to carry cash with you. These checks can be bought in the amounts of $10, $20, $50, $100, or more. At the time you buy the check, you will be asked to sign each check in the presence of the bank agent. The check can then be cashed anywhere in the world. To cash the check there is a second place for you to sign. If the checks are lost or stolen, you can report the loss to the traveler's check company and they will return the money to you for the lost checks.

6) Government Bonds--a certificate which you buy for a certain price and the U.S. Government promises to pay you interest on your money. All banks sell United States government bonds. There are two types of U.S. bonds. The "E" bond can be bought for as little as $18.75. You must wait two months before you can cash in an "E" bond. You do not have to pay income tax on interest earned from an "E" bond until it is cashed. The second type is an "H" bond. You must wait at least six months before you can cash in this type bond. "H" bonds start at $500 and are subject to federal income taxes. The interest rate of a U.S. bond is 6 1/2% at maturity. The U.S. bonds pay the lowest rate of interest of any bond.

Certificate of Deposit

A certificate of deposit is similar to a savings account. However, there are some important differences. A certificate of deposit can be withdrawn only at certain times. It is not as flexible as a (passbook) savings account. The certificate of deposit earns a higher rate of interest in return for the restricted flexibility. When the time is up the certificate is said to have reached maturity. Certificates of deposits are referred to as "CD's," and are usually issued in amounts of $1000 or more. For a certificate of deposit, the larger the deposit and the longer the money is left in the account, the higher the interest rate. If money is withdrawn early, 90 days of interest is forfeited and the rest of the interest is paid as though it had been a savings account.

Safe Deposit Boxes

Banks provide safe deposit boxes for their customers to rent for keeping their valuable papers and other things safe. A safe deposit box is safe from fire and theft. The boxes rent for a small monthly or yearly fee and are available in several sizes. No one can open the box without proper identification and the key for the safe deposit box.

What to keep in a safe deposit box:

- Abstracts and deeds
- Adoption papers
- Armed services records
- Bills of sale
- Birth certificates
- Certificates of deposit
- Citizenship papers
- Contracts
- Deposit books
- Diplomas
- Heirlooms and valuables
- Household inventory
- Income tax records
- Insurance policies
- Leases
- Marriage certificates
- Mortgages
- Stocks and bonds

Do not keep wills in a safe deposit box. Many states "freeze" the box if the renter dies. It may take weeks or months to get permission to open the box. A good place to keep your will is in a fireproof metal box or filing cabinet at your home. The lawyer who wrote the will should also have a copy. It is not a good idea to keep cash in the box either. Why?

Other Bank Services

Some other bank services are financial and tax advice, travel service, charge account services, and revolving credit or an instant loan to cover a check you write. How could these extra services be of help to you? Do you pay for these services?

Loans

Banks also loan money to people. What are some reasons a family might need to borrow money? (To purchase a home, an automobile, furniture, or household applicances, to pay doctor bills, hospital expenses, and other medical expenses.)

Banks charge a lower interest rate than most other places that lend money. To borrow money from a bank, you must have a good reason and be a good risk. In other words you must have a good credit rating.

Before you decide where to borrow money, you should know about a recent federal law. This law is called the Truth-in-Lending Act. The law, passed in 1969, requires all lending institutions to publish their Annual Percentage Rate (APR) (how much it will cost you to borrow the money). With this figure you can compare the cost of borrowing from all available sources of credit.

If you decide to apply for a loan there are some words you should know to help you understand what is involved in borrowing money and the contract you have to sign.

1) Collateral--property (such as cars, furniture, television, etc.) that you pledge as security for the repayment of a loan if you fail to make the payments.
2) Co-signer--a person who adds their signature with yours on a loan contract, and that person agrees to pay the loan off if you fail to make the payments.
3) Default--failure to make payments to repay the money you borrowed.
4) Default charge--the money you have to pay if you are late in making a payment. This is sometimes called late charges.
5) Defer--if you cannot make you payment on time the lender, many times, will postpone or delay the payment for you.
6) Maturity date--the date on which final payment is due.
7) Note--a written promise to pay a certain sum of money at a certain time.
8) Refinance--rescheduling of payments on a loan; generally smaller payments extending over a longer period of time.
9) Repossess--forced or voluntary surrender of merchandise as a result of inability to pay as promised.
10) Scheduled payment--the date each payment is due according to the loan agreement.
11) Title--proof of ownership.

Bank loans may be either installment loans or single payment loans. In addition, a loan may be either an add-on loan or a discount loan.

Installment loan--Repaid with monthly payments of a set amount.

Single payment loan--Repaid all at once at the end of the period for which the loan was made.

Add-on loan--Interest is added on to the amount you borrow. (If you borrow \$100 on an add-on loan, you will receive \$100. When you repay the loan you would repay the \$100 plus interest. For example, at an annual add-on rate of six per cent interest a year you would pay back \$106.

Discount loan--The lender subtracts a fixed percentage of interest from the amount you borrow at the time the loan is taken out. For example, if you borrow \$100 at six per cent interest on a discount loan, you would receive only \$94.37, but you would repay \$100.

[Read over the handout, "Tips to Remember When Borrowing Money," (p. 172).]

Some common loans which people often need are:

1) Auto Loans--Auto loans are a type of loan frequently needed by families. In these loans, the car itself serves as collateral for the loan, and the borrower repays the loan by making monthly payments. If you fail to keep your promise to repay the loan, the car may be taken by the bank. This is known as defaulting on your loan and the bank reposesses the collateral (the car).

2) Mortgage--Banks loan money to families who want to become homeowners by making mortgage loans to finance the purchase of a house. They also make home improvement loans for modernization and repair of homes--to remodel a room or add a new room.

3) Personal Loan--Many families make personal loans at a bank. These loans of $50 to $3000 or more are made just on the promise of the borrower (given by signature) that the borrower will repay the loan. This type of loan may be called a promisory note or a signature loan. Usually the rate charged on such a loan is lower than the family would have to pay somewhere else. The loan can be repaid on a monthly basis over a period of a year or longer.

APPLICATION: Divide participants into groups of two. Ask each group to select one of the loans discussed in the meeting. Each group should visit the loan department in a bank and ask (1) who is eligible for that type of loan, (2) how much can be loaned, and (3) who qualifies for such a loan. Each group should report back to the meeting the findings from the interview.

Take the participants on a field trip to a bank or have a banker come to talk to the participants. The participants will be interested to see some of the things in the bank mentioned in this unit. Discussion of checking accounts, savings accounts, loans, and safe deposit boxes will be good review. The banker should also be able to explain other bank services such as bank drafts, certified checks, cashier's checks, traveler's checks, and government bonds. Perhaps the banker will also have some printed materials on banking and bank services to give the participants.

KEY IDEAS: Banking services can aid in protecting one's money or other valuables.

A certificate of deposit is not as flexible as a savings account, but it can earn a higher rate of interest.

Safe deposit boxes provide protection for family valuables and papers, except a will.

Banks charge a lower rate of interest than most other places that loan money.

There are certain tips to be aware of when borrowing money.

A bank can aid the family in meeting emergencies as well as in making large purchases.

A bank offers many services to its customers.

TIPS TO REMEMBER WHEN BORROWING MONEY
(Handout)

1) Be sure you can make the payments.

2) Is your budget realistic?

3) Read the loan contract completely before you sign it.

4) Make sure that you understand all the terms of the contract. Important items you should know are the amount of the loan, annual percentage rate, size of payments, number of payments, and if there are any fees included in or added on to the loan.

5) Check to see if there is a clause in the contract that says that the contract may be sold to another person or bank and that all warranty responsibilities are stated, or what will be fixed or replaced if what you are buying breaks down in a stated amount of time. This is known as the Holder-in-Due-Course Ruling. Many times the original seller and the new creditor were not willing to take responsibility for the defect. This new ruling puts a stronger responsibility on the original seller as well as the new contract holder for any warranty or guarantee of the product.

6) Do not sign a contract until the creditor, person giving you the loan, has properly filled in all the blanks.

7) Do not sign a contract if the creditor will not give you a copy of the contract before you sign it.

8) Look at the contract to see if there is an acceleration clause which states that if you miss one payment the balance of the loan is due at once.

9) Figure out how much extra you are paying for this loan in interest payments, and decide if what you are buying is worth the added cost.

10) Always remember, banks deal in money-lending services or loans for a profit.

11) Shop around for the lowest interest rate you can find.

UNIT V: SAVINGS
V-1: Purposes

OBJECTIVES:

Identify reasons why people save
Give examples of how savings help families to reach goals
Describe how support and cooperation of family members help in reaching savings goals
Realize the value of self-discipline in saving

VOCABULARY: savings savings goals

Being financially secure might mean one thing to you and something else to another person. Whatever being financially secure means to you, it is important to have a plan. One good way to build financial security is to make out a savings plan.

Savings, when used in terms of money, means a part of your income or money to be set aside for future use. In deciding where to save your money you need to keep in mind what your goal is, what you want to do with the savings.

Why do people save money and have savings goals? Some families set a goal of saving enough money to make borrowing unnecessary when an emergency requires more cash than can be spared from regular income. Some examples of this might be unexpected medical expenses, house repairs, car repairs, etc. What are other emergencies that a family might need to save for? Some families save money for big things they can't pay for out of their weekly or monthly paycheck. Some examples might be a new television set, a family trip, etc. What are other big things a family might save for? Some people save so they will have more money to pay their living expenses when they retire. [Use flannel board (p. 175).]

Are you always successful in saving as much money as you would like to save? Many people are not. Many families have the problem of never reaching their savings goals. Name some reasons that families cannot always save money. [Use visual (p. 176).]

There are many reasons people do not reach their savings goals. Some reasons might be:

1) Lack of self-discipline
2) Lack of cooperation among family members
3) Goals that are too high
4) Unexpected expenses
5) Emergencies
6) Unplanned spending

It is important for everyone in the family to be a part of the goal setting for a savings plan. By doing this each family member will know how they can help the family reach their savings goal.

APPLICATION: Use the case studies on savings and goals (pp. 177-178). Let the participants discuss factors affecting the savings goals of the families.

KEY IDEAS: Saving helps families meet their needs.

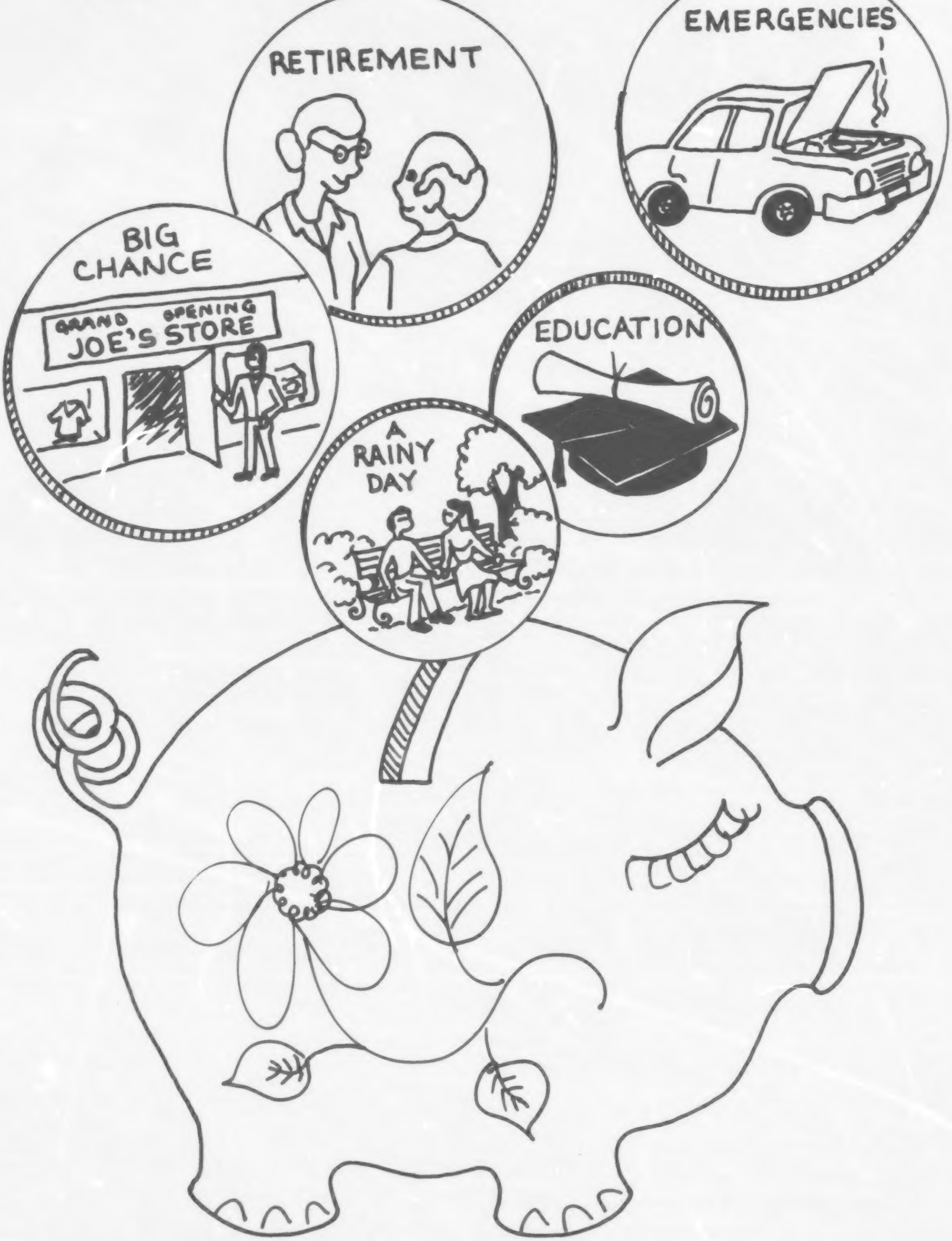
Saving regularly provides a fund for emergencies.

The habit of saving aids in meeting family goals.

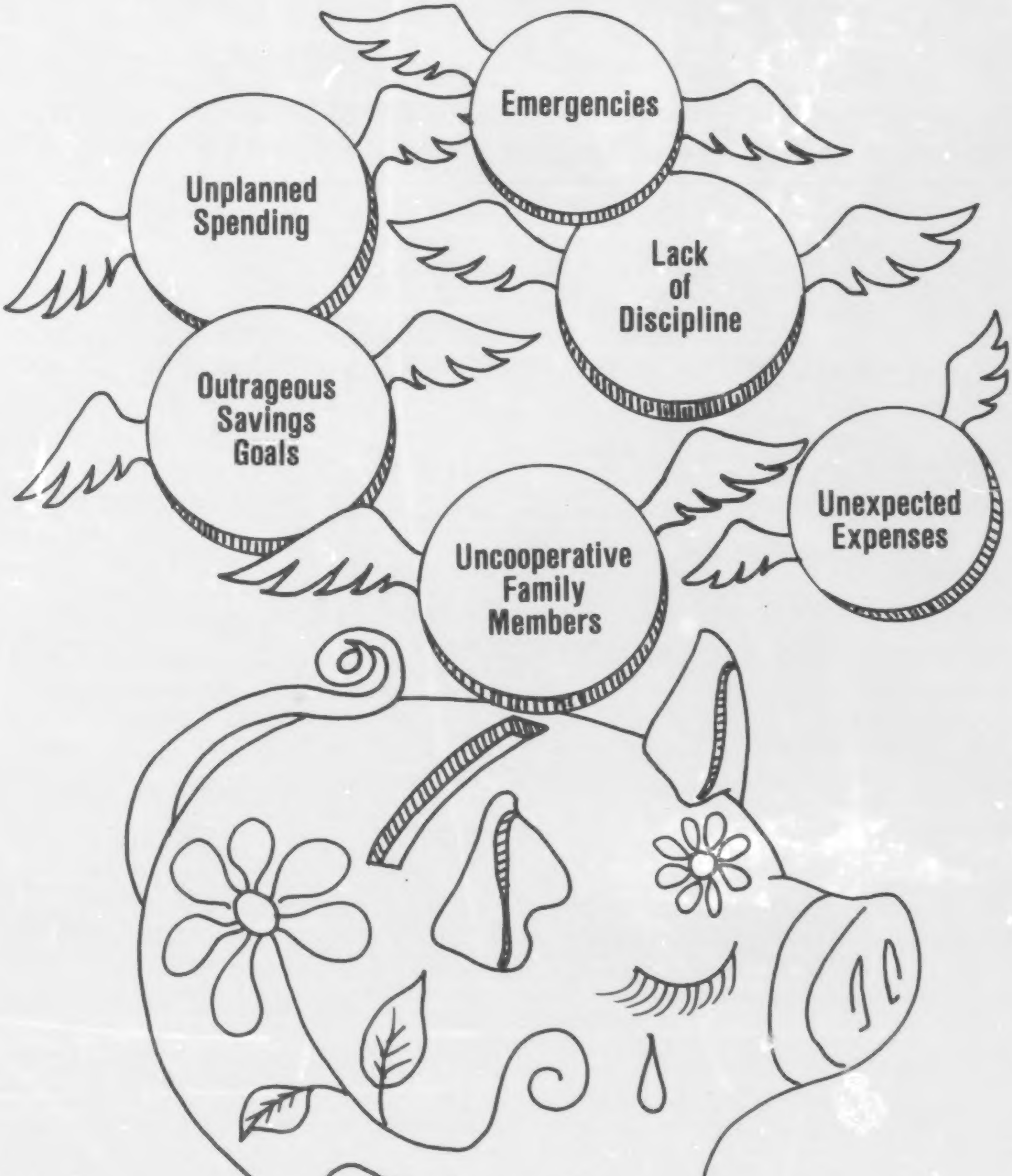
Self-discipline is important to the success of a savings plan.

A savings plan is more successful when it is supported by every family member.

Reasons for Saving


RETIREMENT
EMERGENCIES
BIG CHANCE
GRAND OPENING
JOE'S STORE
EDUCATION
A RAINY DAY

Reasons Families Do Not Reach Savings Goals


Emergencies
Unplanned Spending
Lack of Discipline
Outraguous Savings Goals
Unexpected Expenses
Uncooperative Family Members

REASONS FAMILIES FAIL TO REACH SAVINGS GOALS
(Case Studies)

The Johnson Family

Jerry and Joan Johnson and their children have been wanting a TV for a long time. Most of their neighbors have TV sets. Sometimes Joan watches TV with her neighbor. Jerry likes to watch movies with his friend down the street. Joan often has to go from house to house to find her two sons, who also like to watch TV. The Johnsons all agree that it would be fun to have their own TV.

Then why don't the Johnsons buy a TV? They could buy one on credit, but they still have payments on their car and on some furniture they bought when they rented their house. So the Johnsons really can't afford any more credit payments.

They have a very small savings account which hasn't grown at all since they moved last year. However, the Johnsons' spending plan shows that they should have $30 left at the end of each month. The Johnsons feel that they have allowed plenty of money for the things they need each month, but they never seem to have any money left over.

Mr. and Mrs. Johnson both smoke, and though they both say they spend too much money for cigarettes, they never get around to cutting down. The boys frequently ask for extra money for soft drinks, candy, and toys. Joan daily makes trips to the grocery store for extra things she has forgotten to buy. Jerry admits buying beer for his friends once a week is expensive, but he has yet to cut down.

The Johnsons all agree that they want a TV, but no one is willing to give up anything so the family can save money to buy one. Before they can save, everyone must decide to cooperate in cutting down on expenses and extras to work toward saving money. All members of the family must discipline themselves to cut down on unnecessary items.

What two things are necessary before the Johnsons can meet their savings goals?
SUPPORT AND COOPERATION OF ALL FAMILY MEMBERS
SELF-DISCIPLINE
What would you do if you were the Johnsons?

The Lopez Family

Manual and Maria Lopez have tried hard to save money for a newer car, but something always seems to happen. The Lopez's had $400 saved when their daughter, Ester, fell off the monkey bars at school and broke her arm. One hundred dollars had been saved when the school nurse discoverd that Louis needed glasses. Down went the savings to $40.

Why haven't the Lopezes reached their savings goals?
EMERGENCIES
UNEXPECTED EMERGENCIES

The Smith Family

Samuel and Sally Smith and their daughter, Judy, would like to take a vacation to the mountains next summer. In order to reach their goals they figure they must save $75 each month. They have figured their expenses and feel this is a reasonable amount to save. This month, however, the Smiths had to spend the $75 on groceries the last week of the month. It seems Sally bought a lamp on sale which had not been part of the month's plan--Mrs. Smith admits she really didn't need the lamp. Judy had to borrow lunch money after she spent her allowance one week on a new record album. It seems too, that Samuel badly underestimated the cost of repairing the family car. Instead of saving money for their summer vacation, the Smiths are now in debt.

Why didn't the Smiths reach their savings goals?
MORE MONEY WAS SPENT THAN WAS PLANNED FOR OTHER THINGS
SOMETHING WAS BOUGHT THAT WAS NOT PLANNED FOR OR WAS NOT NEEDED
How might the Smiths improve next month so they can still reach their savings goals?

The Barr Family

Melonie and Clifford Barr had big ambitions for their savings. They make $9,000 a year and the Barrs have four young children under eight years old. Still, the Barrs want very much to buy a home of their own. So they decided to save $600 in one year for a down payment on a $15,000 home. This meant the Barrs would have to live on less than $700 a month. Their rent is $150 and their groceries cost $80 or more each week or $320 monthly. Then, of course, there are other household expenses: clothing, transportation, insurance, utilities, and school expenses, recreation, and on and on. The first two months things went fairly well. The Barrs cut out recreation and purchase of all but the most essential items. Clifford began fussing about lights being left on and the kids using too much water. Melonie griped at Clifford about buying sweets and toys for the children. The children decided that it might not be much fun to have their own house after all--if everybody was going to be mad all the time.

What appears to be wrong with the Barrs' savings goals?
THEIR GOALS ARE TOO HIGH TO PROVIDE FOR THE PURCHASE OF NECESSITIES
Can you suggest a more realistic plan for the Barrs?

The Wong Family

Lee and Susie Wong get Food Stamps each month to help purchase food for themselves and two children. Because of the rising costs of food, Suzie is finding it hard to buy all the groceries the family needs each month with the food stamps they get. The items Suzie buys with the food stamps are as follows: pre-made hamburger patties, potato chips, corn chips, 2 cartons of coke, T-bone steak, sugar coated cereal, chocolate chip cookies, 4 boxes of frozen vegetables, and a loaf of garlic bread. The Wongs cannot understand why their Food Stamp allotment will not cover the food they want to buy.

What appears to be wrong with the Wong's grocery bill?
THE FOOD THEY ARE BUYING ARE HIGH COST ITEMS
Can you suggest a way in which the Wongs could save on their grocery bill, and make their Food Stamps go farther?

UNIT V: SAVINGS
V-2: Saving Institutions

OBJECTIVES:

Identify the different places to keep savings
Compare the safety of a savings account with the safety of other ways to save money
Determine factors to consider in selecting a savings plan

VOCABULARY:

savings account	mutual savings bank
compound interest	dividend
savings passbook	savings and loan association
emergency savings fund	credit union
commercial bank	

Where do people keep the money they save? [Use visual (p. 183).] Some families keep money under a mattress, stuffed in an old sock, or in a piggy bank. These places might be fine for small amounts of money. However, when a large amount of money is to be saved, it is best to keep it in a safer place. This will prevent loss of your money due to theft or disasters (such as fire, tornados, floods, etc.)

Name some places often used for hiding money.
Would your money be safe in these places?
What other places are available to you for keeping your money safe?
Can you think of places to keep money where it will grow?
Which places are most readily available to you?

[Read the story, "The Money Tree," (p. 184). Have the participants discuss what savings goals and habits are displayed by the young couple. Use the questions on (p. 185) for your discussion.]

The Amount You Should Save

You should not try to save so much that you do not have enough money left for the things you need, such as food, clothing, rent, recreation, education, transportation, and health.

Do save some money regularly out of each paycheck. Decide how much money you can comfortably afford to save out of each paycheck. Then pay yourself first. Many people try to save 10 percent of each paycheck. Put this money in your savings account before you spend anything else. Why is it a good idea to save before you spend your paycheck?

Most people add extra dollars to their savings accounts by cutting down on expenses. This can be done by buying only what you need, taking advantage of sales and specials, using skills and time to meet needs instead of using money, or buying used items when possible. At the end of the month, money saved in these ways can be added to savings.

It is important to remember that many times emergencies come up and extra money is needed to pay unexpected bills such as medical expenses, appliance repair, or car repair. You might have a situation where you are laid off of your job temporarily and need money to live on until you are put back to work. It would be wise to have an emergency savings fund to be prepared for such unexpected situations. This fund might make potentially hard times a little easier to cope with.

[Use the case study (pp. 127-129) and let participants decide how much the family can save each month.]

Savings Accounts

Savings can be deposited in a savings account at a bank for safe keeping. Savings may be kept in a commercial bank, mutual savings bank, savings and loan association, or credit union. Savings accounts at financial institutions have interest rates varying from 5 to 7-3/4%*, and compounding periods from annual to daily. Interest rates and compound interest periods are different among different banks. Various banks add the interest to your account at regular intervals. Then the bank pays interest on the interest added to your account. The more often the interest is added to your account, the faster your savings will grow. This is called compound interest. It pays to shop for a savings account that pays high interest which is compounded frequently, just as it pays to shop for money when you make a loan. [Use the Chart of Savings transparency (p. 186) to show participants what 5-1/2% interest compounded daily pays.]

You can make good money with a savings account. At 7% interest, compounded daily, if you save $100 in your account for one year without withdrawing any money, you will end up with $107.25 at the end of the year. See how your savings will grow if you save less than $10 per month? [Use visual (p. 186).]

A savings account is opened the same way a checking account is opened. Take your first deposit, large or small, to the bank and ask to open a savings account. You will be given a savings passbook in which your deposit will be recorded. All money added to or subtracted from your savings account is written in this book. You must present the savings passbook each time you wish to add money to your savings account. This book serves as a complete record of your savings account. It tells how much money you have saved.

Try to save money regularly out of each paycheck. Decide how much money you can comfortably afford to save out of each paycheck. Then pay yourself first. Many people try to save 10 per cent of each paycheck. Put this money in your savings account before you spend anything else. Why is it a good idea to save before you spend your paycheck?

Where to put Your Savings

Money saved can be kept in many different places. Where you put your savings should be based on your goals and how long it will take you to reach your goals. The sooner you begin a savings plan, the sooner you will be able to reach your goals.

---

* Check current interest rates paid on savings accounts.

Types of institutions which offer savings accounts:

A. Commercial banks--provide various other services besides savings accounts, such as certificates of deposit, savings bonds, etc. Savings accounts at these banks allow the person to make deposits or withdrawals at will, but banks can legally require thirty days notice for withdrawals.

B. Mutual savings banks--specialize in savings accounts and mainly use their deposits to invest in real estate mortgages. Mutual banks are owned by the depositors. Dividend is the term used to describe earnings on the account instead of interest. The dividends are usually higher than that of commercial banks, because mutual banks operate at lower costs.

C. Savings and loan association--mutual associations created by people who want to combine their savings and loan their money to other people. They operate the same as mutual savings banks, but like the commercial banks, savings and loan assocations offer certificates of deposit.

D. Credit unions--cooperative organizations created to encourage thrift among members and provide them with a source of credit. Belonging to a credit union is limited to people who have a common interest through work, or group association, or people who live in a well-defined community or neighborhood. The size of a credit union may be small with a few thousand dollars in assets, or it may be large with millions of dollars in assets. Directors, taken from the membership by election, are in charge of the general policy of the credit union; other committee members handle loan applications, conduct education programs, and supervise credit union's operations. Credit unions are exempt from federal income tax. Due to the above factors, it is possible for credit unions to offer their members higher interest rates on deposits than commercial banks and to charge less for credit.

[Give examples of various savings institutions in your own area.]

Tips to consider before choosing a place to save money are:

1) If small savings are kept at home, make sure they are put in a place that is safe from theft or damage from fire, tornados, floods, etc.

2) If you choose a bank savings account shop around for the best interest rates.

3) You must know how quickly you can get your money in case of an emergency.

4) You must know if the bank will charge you any money for taking your money out before a certain time.

Where a family keeps its savings depends on its reasons for saving. If savings are only for a short time and involve a small amount of money, such as saving to go to a movie or to buy a new dress, it may be safe to keep it at home. If savings are for a specific purpose or for small emergencies, you will want to have the money readily available. A bank account, a savings account, a credit union, or a savings and loan association would be a good place to keep it. The family can get its money quickly and easily from these organizations. Money that is to be saved for a long time, like for retirement, might be kept where it is not quite so easily accessible. There is less temptation to use it for other reasons. Examples include government bonds, life insurance, investments, time deposits, individual retirement accounts, etc.

Read the following examples. Decide where the savings in each situation might be kept.

> Mary is a high school senior. She is saving her allowance money for a new pair of shoes. She will have enough money in four weeks.
>
> The Jacksons are saving for a down payment on a house.
>
> Jonathan McGuire is saving money for his retirement in about ten years.
>
> The Browns want to keep a small savings account for emergencies.
>
> The Stones are saving money to buy Christmas presents.

In general, there are three things to consider before deciding where to keep your savings:

1) How safe will my money be?
2) Can I get my money quickly and easily when I need it?
3) How much interest will my savings earn?

[Give participants handout on choosing a savings plan (p. 187) to illustrate the various types of interest-earning savings plans.]

APPLICATION: List one reason you would like to save money and make a plan for saving. Start saving to reach your goal even if you can only save a small amount. Make a habit of paying yourself first.

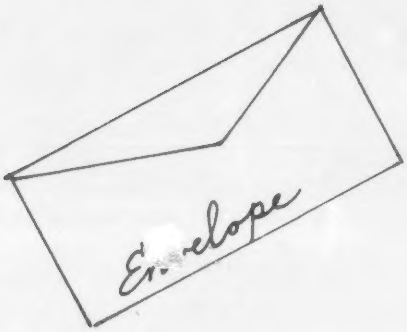
KEY IDEAS: The first money taken from each paycheck should be for a savings plan.

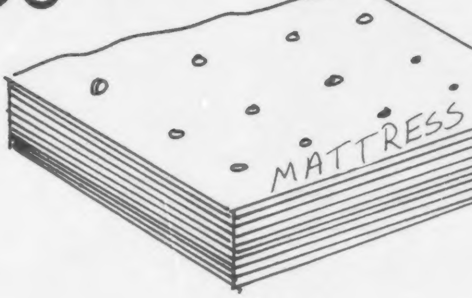
A bank account, savings account, credit union, or savings and loan association would be a safe place to keep savings.

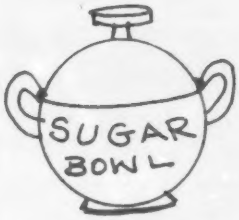
The habit of saving is reinforced by the ability to see savings grow.

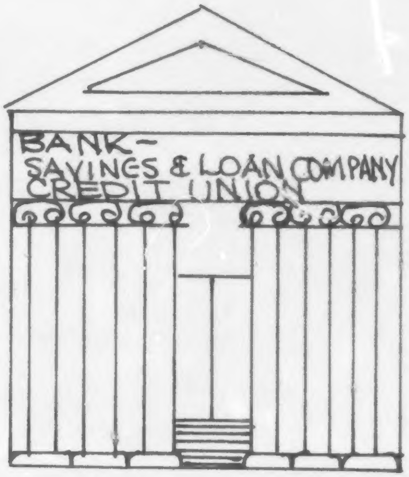
The reason you are saving can help you decide where to keep your savings.

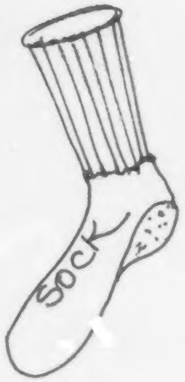
WHERE PEOPLE KEEP SAVINGS

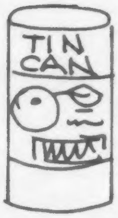


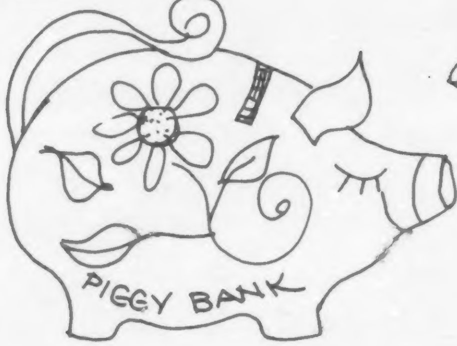


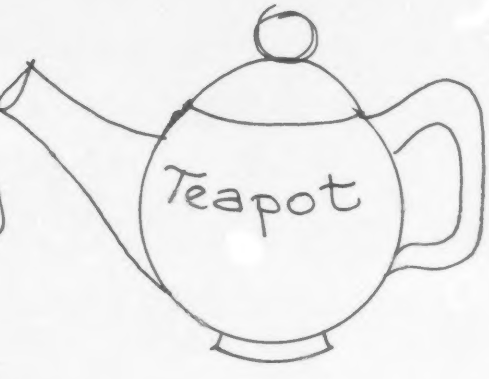



BANK–
SAVINGS & LOAN COMPANY
CREDIT UNION









THE MONEY TREE
(Story)

Scott and I had been married a year, and we were just as poor as we were happy. It was early summer, and we had just moved to the "north" place about 30 miles from home to combine a section of wheat and plow the wheat ground. Little had I realized the accommodations waiting for us in our "Second Honeymoon Haven" had a lot to be desired. For two weeks we lived in a one-room shed, eating meals cooked on a two-burner hot plate and a portable tin oven.

In spite of the inconveniences and the endless series of spiders, snakes, and crickets, we enjoyed being alone and away from parents and in-laws for a while. The two weeks were over so soon, I almost regretted their passing. We returned at least twice during the summer to plow the ground again. I felt like the only things I lacked being the original pioneer woman were the long dress, sunbonnet, and brogan shoes.

We thought we were really wealthy when the wheat money came in, and Scott was paid for the plowing. We paid our car off, and had $1000 left. At the end of May, I signed a contract to teach school. No young couple married just one year, had ever been so lucky!

What should we do with the $1000? I wanted to put it in the bank, but Scott said, "No. The temptation to check on it will be too great." His father suggested that we put it in a savings account, but Scott vetoed that, too. We already knew what we were going to spend the money for. We were going to build a room onto our house so there would be space enough for a family after I taught a couple of years. Finally, it was decided. We would bury the money under the tree by our kitchen window. We wrapped the roll of bills carefully in layers of foil, put this in a plastic bag, sealed it in a clean pint jar, and buried it under that tree. We called the tree our money tree--a private joke that sent us into hysterics when mentioned in front of our friends.

One day I laid over the exact spot where our treasure was buried. I felt secure and happy just thinking about what it would provide for us. I dreamed of that new room and the child who would occupy it, and I squeezed back tears of happiness, thanking God for His blessings.

My prayers took a slightly different turn the next fall when we started building our room and decided we would dig up the money and pay a cash down payment on our project. Scott dug in the exact spot where we had buried it--he thought--but no money. He dug a little deeper, then to this side and then to that side. At first it was funny, but after two whole hours had passed, I could hardly keep the tears back. We just knew someone had seen us hide the money and had stolen it while we were away from home. Scott finally plowed around that tree with the chisel plow, and the jar was uncovered, still sealed, with the money intact. Again I thanked God for blessing two very foolish young people.

We have never had another money tree.

SUGGESTED QUESTIONS
(for Money Tree Story)

Was Scott's reasoning sound in the way he chose to safeguard his money? Give reasons for your answer.

Do you know of other people who have chosen to save their money in an unconventional manner? Give examples.

Compare what Scott's total savings would have been in one year's time if he had (a) put the $1000 in a checking account at the bank, (b) put it in a bank savings account at the current interest rate compounded annually, or (c) put it in a savings and loan account at the current interest rate compounded quarterly.

If you were Scott, where would you have put your money? Why?

CHART YOUR SAVINGS
(Transparency)

This chart will help you to see the benefits of having a regular savings plan.

How Savings Grow	$5 Monthly	$10 Monthly	$15 Monthly
1 Year	61.82	123.64	185.47
2 Years	127.14	254.28	381.42
3 Years	196.15	392.30	588.45
4 Years	269.06	538.12	807.18
5 Years	346.09	692.19	1,038.28
10 Years	801.73	1,603.46	2,405.19
15 Years	1,401.57	2,803.14	4,204.72
20 Years	2,191.27	4,382.54	6,573.80

This schedule is projected at 5-1/2% a year compounded daily.

HOW ARE YOU GOING TO SAVE?
(Handout)

WHAT DO YOU WANT?

ITEM _____________ MONEY NEEDED _____

WHERE WILL THE MONEY COME FROM?

HOW LONG WILL YOU SAVE?

HOW MUCH WILL YOU SAVE EACH WEEK?

First Week	Second Week	Third Week	Fourth Week	Fifth Week

UNIT V: SAVING
V-3: Thrift and Barter

OBJECTIVES:

- Recognize thrift as a means of saving
- Relate use and care of merchandise to frequency of replacement
- Identify care of property as a means of saving
- Explain ways renovation may be used to save money
- Analyze items in the home for possible ways of renovating
- Suggest maintenance problems at home which could be solved with family members' skills
- Determine ways to repair to renovate items in the home

VOCABULARY: thrift, barter, skills

Saving is important for everyone today. We have talked about saving money in a piggy bank or savings account, but there are other ways you can save money without setting aside a certain amount from your salary each month. These ways are thrift, or careful management of your resources, using your skills, or your ability to do something, and bartering, or exchanging goods or skills without the use of money. [Use transparency (p. 192).]

Saving Money Through Thrift

Being thrifty is another way of saving money. Thrift means careful use of resources to get the greatest possible benefit from them. The person who is thrifty gets the best buys for the money. A thrifty person also saves resources whenever possible. Name some family resources.

One can save resources in a number of ways. Clothing lasts longer with proper care. Food is not wasted when leftovers are used instead of being thrown away. Equipment lasts longer when it is kept in good repair. This means that these items will not have to be replaced as often. This saves money--money which may be used for other things. What are some other ways resources may be saved?

Thrift, then, means not wasting resources. It means taking care of resources and keeping them in good repair. Thrift is saving what you already have.

In general, we will save money if we obey the following "Rules of Thrift" in using our property:

1) Read the label or instructions
2) Follow directions for care and use
3) Use as intended
4) Keep in good condition
5) Keep clean
6) Store properly

Give examples of ways in which following each of these rules could help the family save money in relation to food, clothing, furniture, appliances, household equipment, or other items.

Not everyone can save money on a regular basis. For many families it is difficult even to pay the bills. But almost everyone can save time and energy. By making plans, there can be more efficient methods of doing things. Almost everyone can save used or old items. An old blanket might be used to make dust rags, throw rugs, or a work shirt, thus saving money. What useful things could you make from such a project?

Using Skills to Save Money

We mentioned that keeping things we own in good condition helps us save money. However, repairs frequently are expensive. One way to keep things repaired and save on repair costs, too, is to learn to make simple repairs ourselves. By using our skills we can save money.

Plumbing repairs are particularly costly. Most families can learn to repair a dripping faucet or the flush tank to the commode, unclog a stopped drain, or adjust the pilot on a gas stove.

Minor carpentry repairs are not difficult to learn either. Families often need to drive a nail or a screw without splitting the wood, adjust a door that sticks, or loosen a tight window. Simple electrical repairs include replacing a fuse, repairing a plug, and repairing an electric cord.

Painting is another job that is not too difficult. Window shades, frayed rugs, and holes in screens may be repaired without the aid of a repairer.

Another way families frequently save money is by repairing and remaking clothing. Repairs might involve sewing on buttons, sewing rips, and taking up or letting out hems. New garments may need to be altered to improve fit. An old garment may be recut to make another one.

Furniture also may be renovated so that new furniture is not needed. This might involve upholstering, painting, or refinishing the wood. It might mean making an old piece of furniture into something else.

Can you think of other ways your family might save money by making its own repairs?

Skills are needed to make the most of these repairs. By learning new skills a family can save money. Some skills which can save money include: painting, sewing, preparation and preservation of food, plumbing, car repairs, appliance repairs, furniture renovation, and carpentry. What are some others?

Bartering to Save Money

In addition, your family may be able to trade skills which help save money. To trade by exchanging goods or services without using money is called bartering. For example, Mrs. Smith, who is skilled at making curtains, might make curtains for her neighbor. In return a neighbor, whose skill is repairing appliances, may fix the Smiths' ailing washing machine. Both families have used their skills to save money.

[Give participants the handout on Barter Auction (p. 193). Participants might want to conduct a Barter Auction during the class.]

APPLICATION: Select projects to save money through maintaining and caring for property, making repairs, or developing skills. Invite a speaker to demonstrate some simple home repairs. Another meeting might be devoted to using some of these skills. Make a trip to the library to find books on making simple repairs. Perhaps a file of magazine articles and pamphlets on making repairs could be started. Many useful pamphlets are available free from the county extension agent's office and some government bulletins are available at very low cost. A display of what is available might encourage participation in collecting and filing materials.

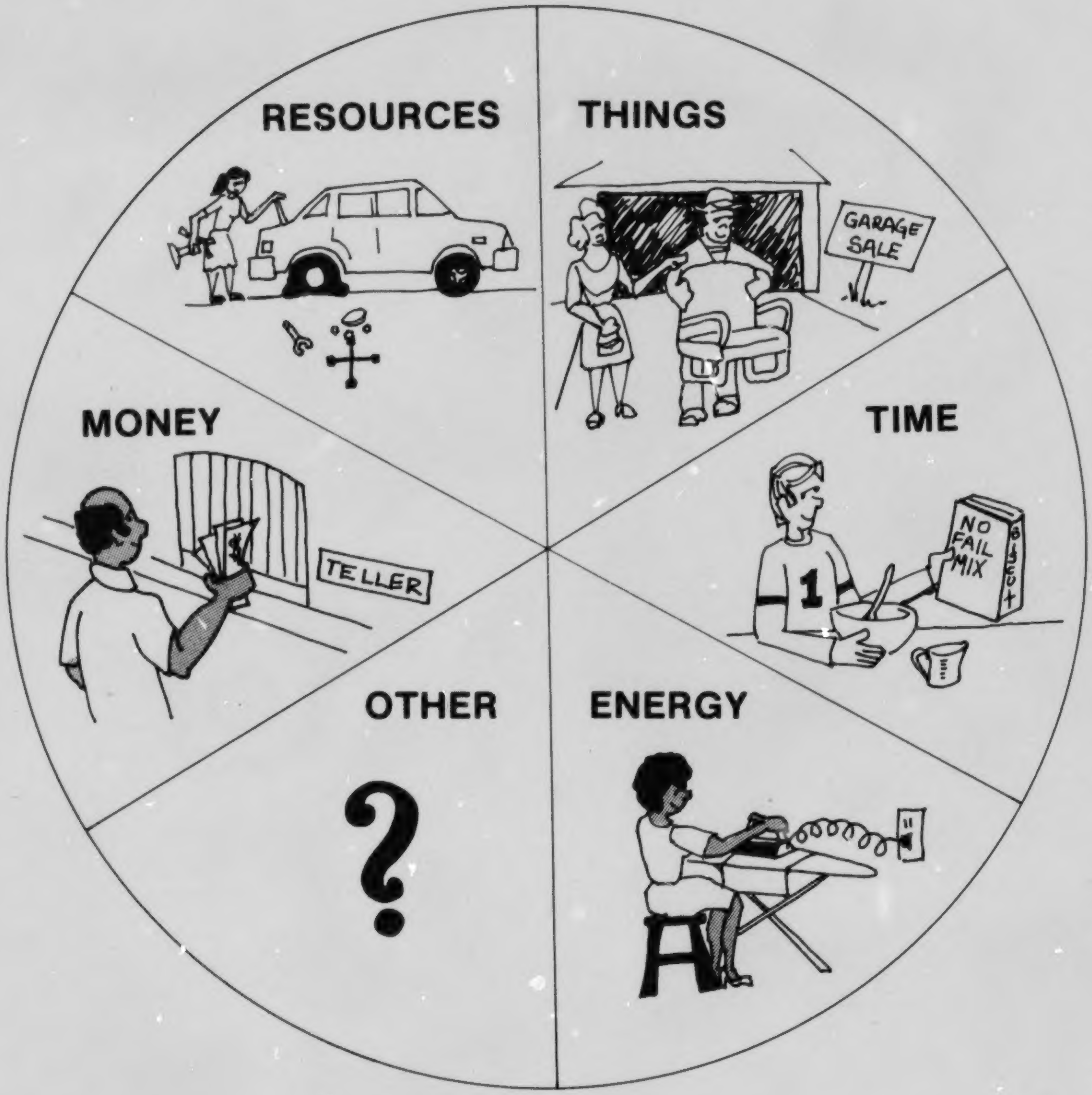
KEY IDEAS: Proper use and care of merchandise will contribute to savings.

Caring for property has an effect similar to that of an increased income.

Repair and renovation of items on hand may mean significant savings.

Developing and using skills are another form of saving.

PEOPLE SAVE MANY WAYS


RESOURCES
THINGS
GARAGE SALE
MONEY
TELLER
TIME
NO FAIL MIX
BISCUIT
1
OTHER
?
ENERGY

BARTER AUCTION
(Handout)

Here is an idea for you that could pay dividends of fun and service, and provide many opportunities for saving money.

Gather together several friends and neighbors. On one color paper write your needs for help; on another color paper write skills and services you could provide to others. For example:

Service Needed	Service Offered
1. Someone who does a good job cutting hair to keep two boys looking neatly cared for.	1. Small home repairs (took home repair course at Adult High School); change washers, repair doors and window glass.
2. Minor car repairs.	2. Babysitting
3. Painting the inside of my house.	3. Cut grass (have a power mower).

When all persons have handed in lists the barter auction is ready to begin. Services may be exchanged directly between two individuals or may be equalized among the group.

Remember, you have resources that are exchangeable and serviceable. Sometimes our resources must be challenged by necessity for us to realize them.

If you cannot gather a group together for an auction, sit down and list your needs in one column and the services you could render in another. Take this to friends, relatives, and neighbors, and offer some service they might need for one you need. Do your own bartering.

Remember! Each of us has at least one talent and most have many which they have forgotten about.

Ask yourself - What are my natural talents and how can they be put to work?

UNIT VI: BORROWING
VI-1: What is Credit?

OBJECTIVES:

Define consumer credit
Cite purposes for using credit
Identify questions to ask when considering use of credit
Explain purpose of measuring family's credit capacity
Manage procedures for measuring credit capacity of a sample family
Determine personal or family credit capacity

VOCABULARY:

credit
loan
credit capacity
lender
creditor
borrower
impulse buying
retail credit
cash credit
service credit

[Use fortune wheel (pp. 198-199) with a number of statements which help to define credit. Let participants turn the wheel to a statement, read it, and then give examples and explain what the statement means. Encourage participants to contribute to the discussion: What is credit?]

1) Credit is trust that you will pay the money you owe and will make payments at a certain time.
When you use credit you are called the borrower. What do you think would happen if no one could be trusted to repay the money they owed? If people didn't keep their promise to pay at a certain time?
2) Credit is buying now and paying later.
What would happen if there were no credit and a family had an emergency? What other problems might families face if there were no credit?
3) Credit is like "rent" you pay for using someone else's money.
Why is the cost of using credit like paying "rent?" Why must we pay for using someone else's money? The person from whom you borrow money or buy on credit is called a lender or creditor.
4) Credit is a charge account.
Charge accounts with stores are known as retail credit. This means you receive the goods now and pay for them later. This is just one type of credit. There are others which we will talk about later.
5) Credit is a loan.
What is a loan? It is borrowing cash and promising to pay it back. Some people don't think of a loan as credit, but it is. A loan is sometimes called a cash credit.
6) Credit is a doctor bill.
Doctor bills and other bills which are paid after the service is received or used are called service credit. This is credit because you receive the service now and pay for it later. What are some other examples of service credit?

7) Credit is using future income to pay for present needs and wants. What are some things a family might decide to use their credit to buy now and pay for later?
8) Credit is a service for which we must pay. No one has to give credit. Why do stores give credit? Why do they charge for this service?

Turn the fortune wheel around. Why do people use credit?

1) To meet present needs by using future income. What might be some needs that a family could not pay for with their present income?
2) To meet emergencies. Can you think of some emergencies which might occur in your family? How could your family use its credit to meet these emergencies?
3) For necessities. Can you think of things which are necessities for a family? Why might a family need to use their credit to buy these things?
4) For major purchases. What are some big things that a family probably could not pay for with one paycheck?
5) For things that last long after the last payment. Give some examples of things which would last after they were paid for on credit. Why is it not a good idea to buy things on credit which do not last until they are paid for? Give some examples of things which might not last until they are paid for. (food, clothing, furniture of poor quality, etc.)
6) For luxuries. Is it really a good idea to buy on credit luxuries which your family doesn't need? Give some examples of such.
7) To save money. Some people never seem to save any money for things they need or want. Using their credit is the only way they could ever get these things. For families like this, credit is like saving backward. Why is this not a good way to use credit and save money?
8) For impulse buying. What is impulse buying? What sort of things does one buy on impulse? Why is it not a good idea to use credit for things which were not planned for? What would happen if several family members made unplanned purchases on the same day? How would other family members feel about doing without things they need because one person bought something on impulse?

Credit is usually fairly easy to obtain. This often encourages people to spend money for things which they probably cannot afford. Sometimes it is a good idea to use credit; sometimes it may not be a good idea. What questions might you ask yourself before deciding to use your credit? [Hand out Should You Use Credit? (p. 200) to stimulate discussion.]

APPLICATION: Give participants the work sheet (p. 201) and guide them in figuring the McDonald's credit capacity (p. 202). Credit capacity is the amount that a family can afford each month in payments. Point out that knowing one's credit capacity helps one to make better decisions about using credit. Then distribute another work sheet and let participants determine their own family's credit capacity. Give help as needed. This may also be done by participants at home.

KEY IDEAS: Consumer credit is the use of future income to satisfy present needs and wants.

Three kinds of credit are cash credit, retail credit, and service credit.

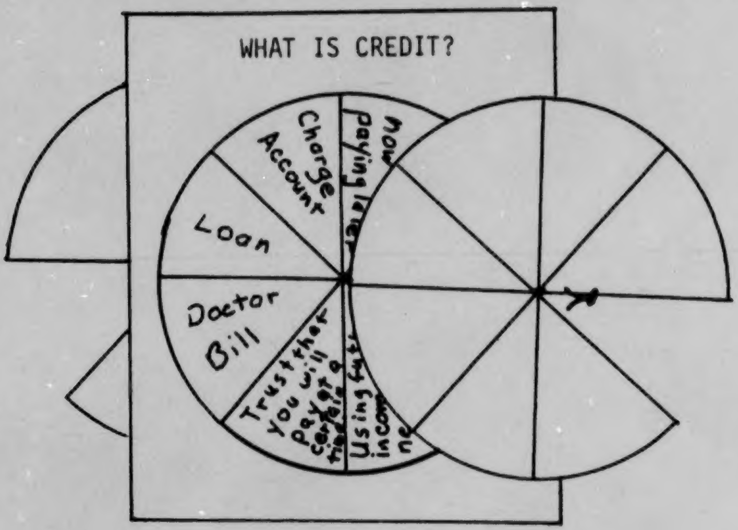
The ease of obtaining credit encourages spending which might not be advisable.

Awareness of factors to consider before deciding to use credit may lead to wiser use of credit.

Credit capacity is the amount that a family can afford each month in payments on credit purchases.

Measuring one's credit capacity contributes to the wise use of credit.

WHAT IS CREDIT?



Materials Needed:
- 2 Posterboard sheets
- Bright colored construction paper
- 1 Brad
- 1 Felt-tipped marker
- Glue

Instructions:

1. Cut 2 large circles from one piece of posterboard.
2. Divide each circle into 8 pie-shaped wedges.
3. Cut one wedge from each circle.
4. Glue wedges of colored construction paper on the other 7 wedges of the circle, alternating colors.
5. Draw circles of the same size on front and back of other sheet of posterboard.
6. Divide these circles into 8 pie-shaped wedges.
7. On one side of the large posterboard print the heading, "What Is Credit?" and on the other side, "Why Do People Use Credit?"
8. On each of the 8 wedges of the circle print one phrase as indicated below:

   What Is Credit?
   (1) Trust that you will pay at a certain time
   (2) Buying now and paying later
   (3) "Rent" you pay for using someone else's money
   (4) Charge account
   (5) Loan
   (6) Doctor bill
   (7) Using future income for present needs and wants
   (8) A service for which we must pay

Why Do People Use Credit?

1) To meet present needs by using future income
2) To meet emergencies
3) For necessities
4) For major things
5) For things that last after last payment
6) For luxuries
7) To save money
8) For impulse buying

9. Punch holes in the center of each circle and the posterboard.
10. Attach circles, made in steps 1-4, on one side of posterboard with the colored wedges to the outside with brad.
11. Turn the circle attached until the cutout wedge is centered showing one of the statements on the posterboard.

Should You Use Credit?

Ask yourself these questions before you decide to buy on credit or borrow money.

1. Do I need it?
2. Do I need it now?
3. Is having it now worth the extra money I must pay to use credit?
4. Can I make the payments?
5. Will I pay too much interest?
6. What good will it do me?
7. What will I do without to pay for it?
8. Is it worth the risk of losing the money I have put into it if I can't finish paying for it?
9. Am I buying (or borrowing) from a fair and honest person?
10. Should I risk owing so much money that I won't be able to get more if I get sick or have an accident?

Think about your answers. Is it best to use credit or to wait until you can pay cash?

Remember...
Make sure you have more and better reasons for using credit than for not using it.

OUR FAMILY CREDIT CAPACITY
(Worksheet)

Directions: Figure out how much money your family makes in a week, in a month, in a year. List the money you are sure you will get. Don't include overtime pay or money from temporary jobs.

Weekly income: Father ______
Mother ______
______ ______
______ ______

Total ______

x 4 weeks

Monthly income ______

x 12 months

Yearly income ______

Add up all your expenses. List everything you can think of. Use your highest guess rather than the lowest. Or better yet, keep a record of what you spend to help you plan for the future.

Expenses:

	Monthly
Food	______
Clothing	______
Housing	______
Electricity, Gas, Telephone, etc.	______
Transportation	______
Household Supplies	______
Personal (haircuts, beauty, allowances)	______
Medical and Dental	______
Education	______
Church and Gifts	______
Installment Payments	______
Other	______
Total	______
x 12 months	
Yearly Expenses	______

If your income is greater than your expenses, subtract the amount of money you plan to spend from the amount you expect to make. How much is left? This is the amount you have for saving, emergencies, and new installment payments. This is your family's credit capacity.

Monthly Income ______
Monthly Expenses ______
Amount Left ______

If the amount of money you plan to spend is over the amount of money you expect to make, subtract the monthly income from the monthly expenses. How much money over your income have you spent? Look at your expenses list. Which items could you cut down on expenses? Which items could you do without?

Monthly Expenses ______
Monthly Income ______
Amount Overspent ______

WHAT IS THE MCDONALDS' CREDIT CAPACITY?
(Case Study)

Glen and Ann McDonald want to know what their credit capacity is. You can help the McDonalds find out. (The McDonald family consists of Mr. and Mrs. McDonald, and their three children, Charles, Jim, and Susan.) Mrs. McDonald has made the following notes on the family income. Fill in this information on your work sheet. Mr. McDonald's take-home pay is $109.84 a week. His boss told him he would make $120.00 a week, but after income taxes, Social Security, and other deductions, Mr. McDonald gets $109.84. This is the amount of money Mr. McDonald is certain to bring home each week. Mrs. McDonald usually makes $20.00 a week sewing for friends and neighbors, sometimes more. Charles, 14, clears $30.00 a week from his paper route and Jim, 11, adds $5.00 a week from the money he makes doing odd jobs for the neighborhood grocer. Susan is only 8 and does not contribute to the family income.

The McDonalds need to know how much money they have to spend each month. First add up what the family makes each week. Then multiply by 4 1/3 (the number of weeks in a month) and you will be able to tell the McDonalds their monthly income. Sometimes the McDonalds make more money in a month--when Mr. McDonald works overtime or when Mrs. McDonald does more sewing than usual. But the McDonalds will only count on the money they are sure to get. Next multiply the monthly income times 12 to find out what the McDonalds will make in a year.

Mrs. McDonald has kept a record of all the money the family spent in the past month. Enter the figures for one month in the expense column on your worksheet.

Monthly	
$ 64	Food*
50	Clothing
200	Rent (paid monthly)
55	Utilities (not included in rent)
50	Transportation
25	Household supplies
35	Personal
45	Medical and Dental Care
10	Education
40	Church and Gifts
53	Installment Payments
$627	Answer

Multiply this figure by 12 months to estimate the family's yearly expenses.

To figure the McDonald's credit capacity subtract their monthly expenses from their monthly income. What is left is the amount they have for saving, emergencies, and new installment payments. If the McDonalds decide to save $40 a month, they could afford $47.30 more installment payments each month. If they already have savings and a fund for emergencies, they could afford $87.30 in installment payments each month in addition to the $53 they already pay on installment payments. Then their credit capacity would be $140.30.

---

* The McDonald's qualify for $111.00 free food stamps per month. The $64.00 is the amount of money needed to supplement the food stamp allotment for their family each month.

UNIT VI: BORROWING
VI-2: Sources and Types of Credit

OBJECTIVES:

- Name sources of credit
- Identify credit sources to determine reliability
- Explain legislation to inform the consumer about their rights involving credit usage and information
- Show interest rates charged by different sources of credit
- Determine the type of credit to use for specific situations

VOCABULARY:

- credit union
- charge accounts
- credit cards
- revolving credit accounts
- lay-away
- service credit
- sales credit
- cash credit
- installment credit
- mortgage
- personal loans
- installment loan
- single payment loan
- finance charge
- annual percentage rate
- Truth-in-Lending Act
- liable
- Fair Credit Billing Act
- due date
- retailers
- discounts
- credit bureau
- Holder-in-due-course
- debt collector
- Fair Debt Collection Practices Act
- Equal Credit Opportunity Act

Shopping takes time and patience, but it is a good rule to look around before buying anything. The same is true when shopping for money.

Money costs different amounts to borrow at different places, just as other goods cost different amounts at different places. Since the rates of interest are different, we should know about the different places we can borrow money and the rates they charge.

[Use a flannel board or transparency (p. 207) to show pictures of the following sources of credit:]

Sources of Credit

Stores offer charge accounts and installment plans. The amount of interest you pay depends on the store where you buy.

Banks charge a lower interest rate than most other places that lend money. To borrow from a bank, you must have a good reason and be a good risk.

Credit unions are formed by a group of people. You must pay money into the credit union to join. You earn interest on your money. Members may also borrow money. You need a good reason to get a loan, just as you do at a bank. Each credit union decides how much interest it will charge. Their charges are usually about the same as at a bank.

Personal finance companies and small loan companies extend loans to people with high risk credit ratings. You pay more interest than you would at a bank because you do not need to own as much property to get the loan. At some companies you do not need to own anything to get the loan, but the interest rate will usually be even higher.

Life insurance companies charge very low interest rates and you can borrow up to 95% of the cash value of a policy. There is usually no specified time of repayment required because the debt can be recovered when the policy is cashed in.

Pawnshops loan money, too. You must leave something valuable like a watch or a TV with a pawnshop. They don't give you much money for what you leave there. They can sell it if you don't pay back the loan when you say you will. Pawnshops charge high interest rates.

Illegal lenders charge very high interest rates. Sometimes they are called "loan sharks." [Use transparency (p. 208).] They charge more than any other place you can get credit. For your own good, do not borrow from illegal lenders.

[Use the transparency (p. 209) as a basis for the following discussion:]

Which were the least expensive sources of credit? the most expensive? For which source would you need the best credit rating? Where could a person with a poor credit rating borrow money? Would one pay more or less interest than at a bank?

[Use situations entitled Sources of Credit (p. 210).]

Types of Credit

There are three main types of credit. These are: sales credit, cash credit, and service credit. Place these headings on a flannel board or bulletin board and place examples of each type under the heading as they are discussed.

SALES CREDIT--credit you receive when you make a purchase now and promise to pay later.

1) Installment plan--payments to the store are made in equal amounts over a period of weeks or months. A down payment is often required. Many people use this plan to buy things that are expensive. The store can take back what you are buying if you do not make the payments. This type of credit is usually used for big things, like a washing machine, TV, or furniture.

2) Charge accounts are offered by many stores. The store may tell you how much you can charge. Sometimes, however, no limit is set. You usually get a bill each month telling how much you owe.

   Charge accounts may be different types. One kind is the open charge account. With this kind of charge account, you must pay the entire amount when you get the bill. You pay no interest on this kind of account.

With another kind, called "budget accounts," you must pay a certain amount each month as long as you owe at least that much. If you owe less, you pay only what you owe. You pay interest on what you still owe.

Still another kind is called "revolving credit." The amount you must pay depends on how much you still owe. This amount is a certain percentage of what you owe. You pay interest on what you owe.

3) Lay-away is another type of sales credit. The store keeps the item you purchase until you have paid the whole amount. This is good when you want to take advantage of a sale and don't need the item for a while. Some stores charge a small fee to put items in lay-away, but no interest is charged at most stores.

4) Credit cards are also a type of sales credit. They are similar to installment plans. They are convenient to use when you don't want to carry much cash or want to avoid writing checks for several purchases.

[Use examples (p. 211) entitled Sales Credit as a basis for discussion of uses of sales credit.]

CASH CREDIT--credit you receive when you borrow cash and pay it back later

Personal loans may be either installment loans or single payment loans. Personal loans are particularly useful when you need cash to meet an unforeseen emergency or to help your family through a period of unexpected financial stress. A personal loan can help pay rent, buy food, and meet medical expenses when the head of the household is temporarily out of work or some member of the family is seriously ill. If it is repaid in a number of equal payments, it is an installment loan. If the loan is repaid all at once, it is a single payment loan.

A mortgage is also a loan. It is usually used when a family buys a house. The house is the security for the loan. The family pays back the loan in monthly payments. When the loan is repaid, the family owns the house.

[Use situations entitled Cash Credit (p. 211).]

SERVICE CREDIT--credit given for a service one's family receives, but pays for later.

You use service credit when you make monthly payment for utilities you have used during the month--your telephone, gas, and electricity. You also use service credit when you pay your doctor, dentist, or hospital at the end of the month. You use service credit when you have your car repaired at a garage and then pay your bill.

[Use the situation (p. 211) entitled Service Credit.]

Credit Legislation

Because of the extensive use of credit in the United States, problems developed which had to be solved by new laws. The complex system of the use of credit has prompted the development of hundreds of new methods of deception and cheating of the consumer. While untrustworthy and lawbreaking creditors are in the minority, they do exist.

[Give participants handout Responsibilities of Credit Users and Creditors (p. 212). Have participants discuss the problems that could arise if these responsibilities are not taken seriously.]

To protect your own interests, fulfill your responsibilities in using credit and deal only with lenders and sellers who take their responsibilities in giving credit seriously.

Since there are dishonest creditors the government has passed cretain laws that protect consumers. [Distribute handout Consumer Protection Legislation (pp. 213-215). Divide the class into buzz groups. Let each group discuss a different law. Have the participants decide what the law means, what the law can do for each consumer, and what can be done if the laws are not followed by creditors. Have each group report back to the class with their decisions.]

APPLICATION: Distribute sheet entitled Shopping for Money (p. 216) to participants for them to fill out. Ask participants to list sources of credit they have used and decide what alternatives they might have had.

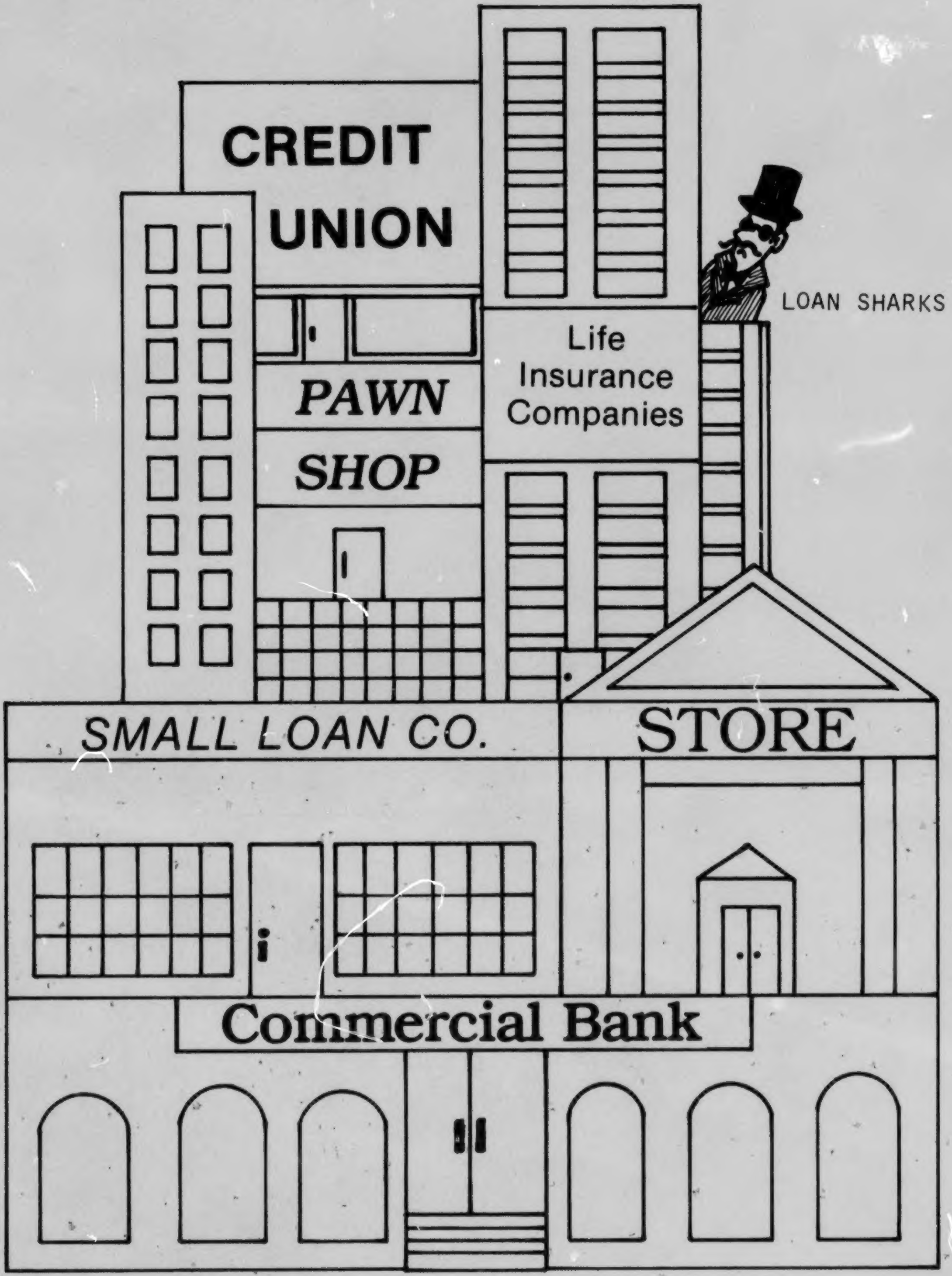
KEY IDEAS: Knowledge of sources of credit can aid the consumer in making choices.

Consumer interests are protected by dealing with reputable credit sources.

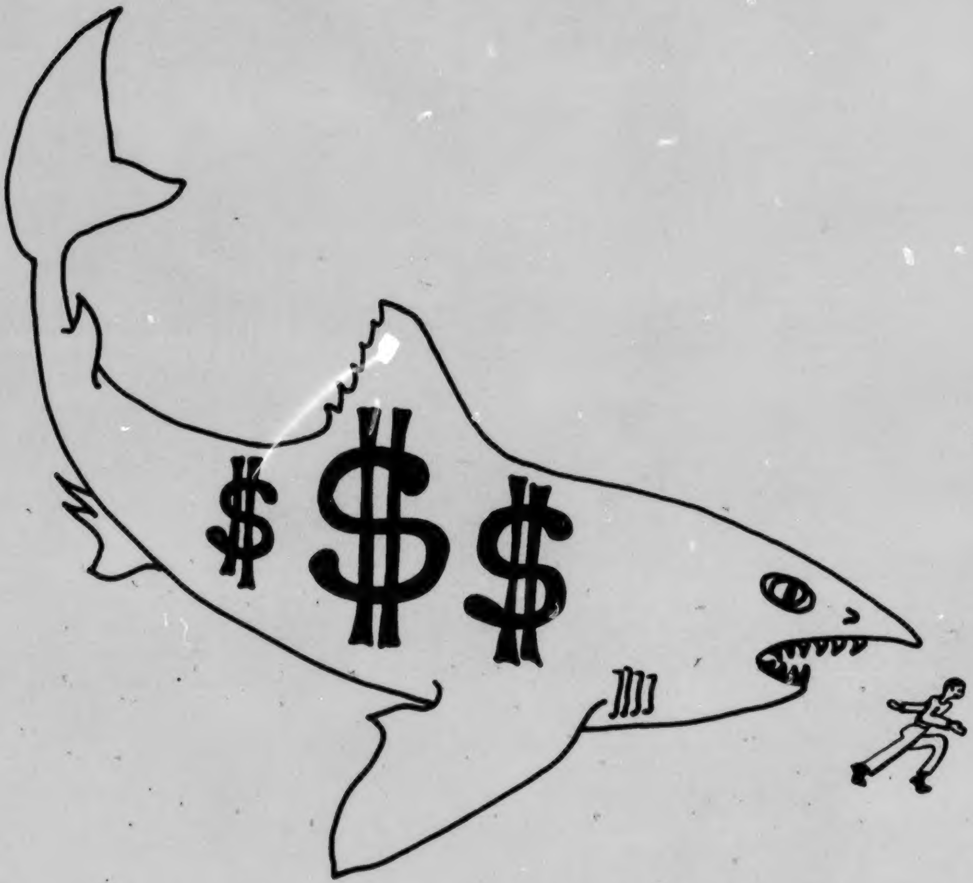
Knowledge of types of credit can aid the consumer in choosing the best type for one's needs.

Knowledge of current consumer lesiglation can aid the consumer in being aware of their rights when using credit.

Sources of Credit


CREDIT UNION
PAWN SHOP
Life Insurance Companies
LOAN SHARKS
SMALL LOAN CO.
STORE
Commercial Bank

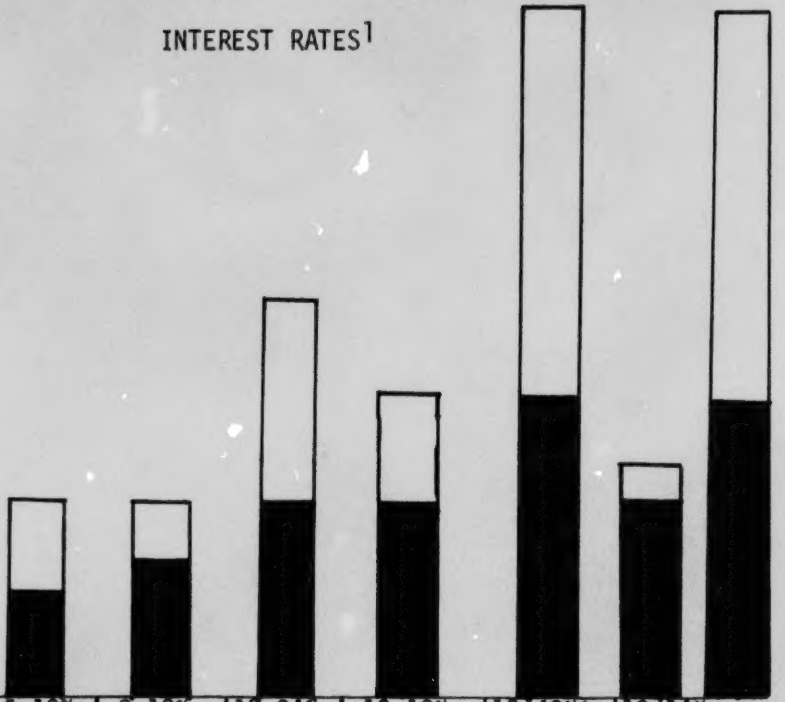
BEWARE OF



LOAN SHARKS

210

INTEREST RATES[1]



True Annual Interest Rate	6-12%	8-12%	12-24%	12-18%	18-42%*	12-14% on a new car 18-42% on a used car
Total Annual Interest	$3-6	$4-6	$6-12	$6-9	$9-12	$6-8 on a new car $9-21 on a used car
Stated Interest Rate	1%	6%	1-2%	1-1 1/2%	1 1/2-3 1/2%	6-7%
Amount Borrowed	$100	$100	$100	$100	$100	$100
Institution	Credit Union	Commercial Banks	Department Stores Mail Order Houses	Installment Dealers	Licensed Small-Companies	Finance Companies

*May raise initial cost of item

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[1] Adapted from Margolius, Sidney. How to S-T-R-E-T-C-H Your M-O-N-E-Y; Modern Techniques of Management. New York, New York: Public Affairs Pamphlet No. 302, 1960. pp. 20-21.

SOURCES OF CREDIT

John and Mary Smith have worked hard to keep a good credit rating. It was once threatened, though, after Jennie, their second child, was born. John was laid off his job as a construction worker for four weeks during some unusually bad weather. John and Mary had just purchased a new washing machine and couldn't meet the payments that month. John contacted the store where they purchased the washing machine and explained what had happened. The store agreed to reduce the payments to what they could afford to pay until the crisis was over. The Smith's credit rating was saved and now the washing machine is paid for.

John and Mary would like to purchase a clothes dryer. Where would you advise them to shop for credit? Which would be the least expensive source?

John Smith's friend, Harry Turner, isn't as fortunate as John. Harry doesn't have a good credit rating. Harry and Betsy had purchased $3000 of merchandise on credit. This included furniture for the house they rented when they outgrew their old apartment, a TV, washing machine, clothes, and even toys for the children at Christmas. Then Harry fell off a ladder while hanging screens and broke his back. He couldn't work for four months. The family had to go on welfare and couldn't even afford token payments on the large amount of money they owed. They hid from their creditors until finally the furniture, TV, and washing machine were taken away. Harry is working again now. The Turners still owe a lot of money. They haven't paid the doctor bill.

Where could Harry and Betsy borrow money to pay off all their debts and reduce their monthly payments? Will the interest be more or less than at a bank? Why?

Harry's neighbor, Manuel Garcia, has never used credit. Manuel and Maria have always paid cash or done without. Now their son, Robert, wants to go to trade school. Manuel wants his son to learn a trade so he can get a good job, and Robert can work part time to help pay his expenses.

The Garcias have a small savings at the credit union where Manuel works. It isn't big enough to pay for the trade school. If the Garcias use their savings, they will have nothing for emergencies. Manuel decides they must borrow the money.

Where could the Garcias borrow money for Robert to go to trade school? Would they be a good risk?

SALES CREDIT

John and Jane Archer want to buy a TV set for the family. What type of sales credit might they choose?

Tom Armstrong wants to visit his mother in San Antonio during his summer vacation. He doesn't want to take a lot of money with him, but he will need to buy gas at least twice on the way. What type of sales credit might he use?

Mary Brown's son, Johnny, has outgrown his last winter's coat. Mary had thought it would do another year and did not make plans for a new coat, so she has saved no money for one. What type of sales credit could Mary use to buy the coat so Johnny can wear it while she pays for it?

Mrs. Carpenter has found a coat on sale which would be a good choice for Mr. Carpenter. Mr. Carpenter won't need the coat for several months and Mrs. Carpenter isn't sure she can make regular payments for it. What type of sales credit might she use, so Mr. Carpenter will have the coat when winter comes?

CASH CREDIT

Kenneth Davis does seasonal work as a farm hand. Sometimes the family has a lot of money, sometimes only a little. Kenneth must drive to his jobs, but the old car will not last much longer without a lot of repair. He has decided that it would be good to buy a used car to replace the old one. What type of loan might be best for Kenneth?

The Evans family has outgrown their small apartment. They have decided they would like to buy a home, so their two children will have a place to play. They have saved enough money for a small down payment. What type of loan would they get to pay the rest?

Ellen Fry needs an operation that will take more than the Fry's small savings. Stanley has a steady job with a small amount of money left after expenses are paid each month. What type loan could the Frys get to pay for Ellen's operation?

SERVICE CREDIT

Jesse Gonzales brags that he has never used credit of any kind. Do you think this is true? What type of credit may Jesse use without realizing that he is using credit?

RESPONSIBILITIES OF CREDIT USERS AND CREDITORS
(Handout)

Responsibilities of Credit Users:

1) Do not borrow if you do not have to.

2) Think of your overall financial state and your ability to repay before signing a credit agreement.

3) Know how much extra money it is going to cost you in the form of interest.

4) Shop for the lowest annual percentage rate.

5) Compare the cost of interest to other things you could do with the money.

6) Do not let easy credit cause you to buy things you would not otherwise consider buying.

7) Borrow the smallest amount you need, not the most the lender or dealer will loan you.

8) Know what you are doing and signing. Read carefully any contract you must sign and be sure that you understand it.

9) Be aware of the promises you make in signing any credit agreement.

10) Pay on time according to the terms of the contract.

11) Let your creditor know if, for any reason, you cannot meet your payment.

12) Pay the late charge written in the contract for late payments.

13) Accept the penalty outlined in the contract for failure to fulfill your promise.

Responsibilities of the Creditor:

1) Look into the credit customer's ability and willingness to repay before giving credit.

2) State credit terms clearly and correctly to follow laws controlling the giving of credit.

3) Write in all credit terms before the contract is signed.

4) Give the credit customer a copy of the contract.

5) Take early payment and return the part of interest charges that apply to the early payment and time paid early.

6) Pass on to the customer any money over the amount owed on an item after repossession and sale of property or collateral.

CONSUMER PROTECTION LEGISLATION
(Handout)

Truth-in-Lending Act--(1969) The purpose of the law is to provide a way for consumers to compare credit costs while shopping for credit. The Act states:

1) Finance charges and the annual percentage rates must be displayed clearly on the forms and statements used by the creditor so they can be easily seen.
2) It regulates the advertising of credit terms. It says that if a business is going to mention one feature of credit in its advertising, such as the amount of down payment, it must mention all other important terms, such as the number, amount, and period of payments that follow. This part of the law will help you with full information, so that you can make informed decisions.
3) It protects you against unauthorized use of your credit card. If your credit cards are lost or stolen, the most you have to pay for charges made by someone else is $50. In order for the card issuer to hold you liable, or responsible for charges made, even the $50, the unauthorized charges must have been made before you notified the card issuer that your card was lost or stolen. You are not liable for any unauthorized charges occuring after you notify the card issuer.
4) It stops card issuers from sending you a credit card unless you requested or applied for it. A card issuer may send you, without your request, a new card renewing one you "requested or used before."
5) It gives consumers the right to cancellation of credit transactions, if done with in three business work days, in case your home is used as security. This frequently occurs when a major repair or remodeling job is done on your home or when you take out a "second mortgage." The creditor must give you written notice of your right to cancel, and if you decide to cancel the transaction, you have to notify them in writing.
   When you have the right of cancellation, a contractor cannot start work until the three days are up. You may give up your right to cancel and get the work started without the three-day wait, if you notify the contractor in writing that you face a real financial emergency and need the credit immediately to finance repairs necessary to avoid danger to you, your family, or your property.
   The right of cancellation does not apply to a first mortgage to finance the purchase of your home.

Fair Credit Billing Act--(1975) The act has provided credit consumers new rights, and has placed some limits on creditors and monthly billing procedures. The Act states:

1) Bills are to be mailed to consumers at least 14 days before the due date, or when the bill has to be paid.

2) Consumers who find errors in their bill should contact their creditors in writing within 60 days of getting the bill. In turn, the creditors must send a letter to you within 30 days saying they have received your letter. During the time the creditor is checking your bill, the consumer does not have to pay the bill or be charged any finance charges.
3) It allows the retailers, or people or businesses who sell goods or services for use by consumers, to give discounts up to 5% on cash purchases. Discounts are reductions from the usual price of an item or service. Retailers who do this must post a sign explaining the discount.

Fair Credit Reporting Act--(1971) The act gives consumers the right to know that certain information about their credit record is in their file with a credit bureau. A credit bureau is an organization which collects and keeps files of information on credit practices of individual consumers and makes information available to credit grantors and other businesses for confidential use in making credit available to consumers. The Act states:

1) Consumers have the right to correct any errors that might exist in their files.
2) Consumers have partial control over who has access to the information contained in their own files at the credit bureau.

Equal Credit Opportunity Act--(1975) The Act stops credit discrimination on certain grounds. The Act states:

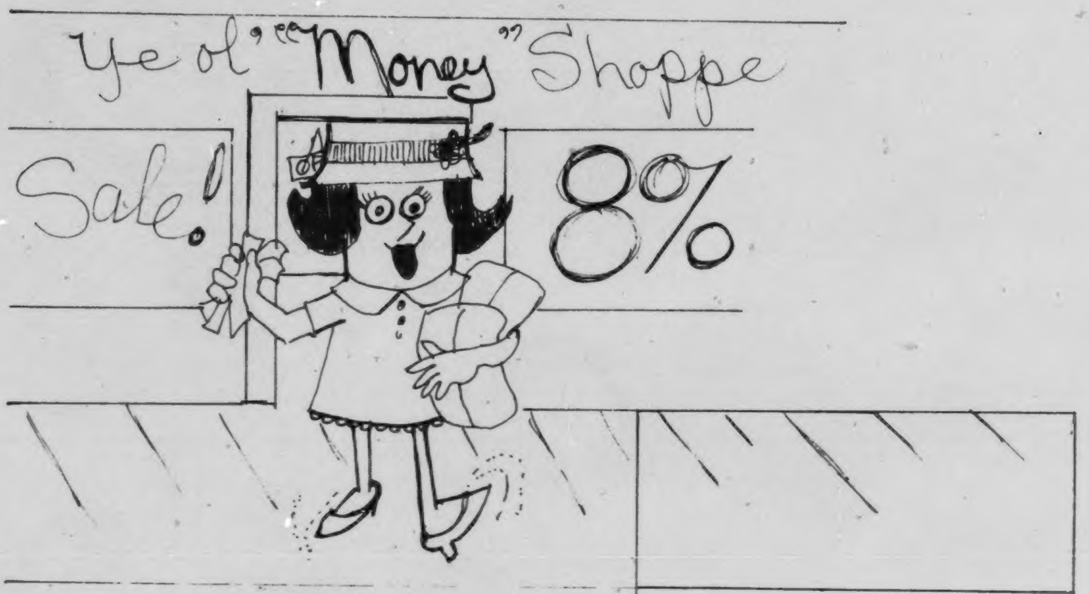
1) The act makes it easier for a married woman to get credit without her husband's signature. It also applies to single women.
2) In 1977, the act made it illegal to discriminate on the basis of race, color, religion, national origin, age, or because all or part of the consumer's income is from public assistance.
3) Another rule has been proposed to prevent credit bureaus from automatically putting the credit history of one spouse into the credit report of another spouse. This could help the situation where a divorced person is unable to get credit because of their ex-spouse's poor credit record.

Holder-in-Due-Course--(1976) The Act makes the holder of a credit contract responsible for the service or goods you have bought. The Act states:

1) Many times credit papers are sold to a third party who then is responsible for collecting the remaining payments due. An example of this is you buy a used car from a dealer and he finances the car for you instead of your going to a bank for credit. The dealer then in turn sells your note to a bank. Until recently, the consumer who found a defect in the product being bought on credit was caught between the original seller and the present creditor, neither of whom were willing to take responsibility for the defect.
2) Stronger responsibilities are given to the original seller as well as the purchaser of the credit papers for any warranty or guarantee of the product.

Fair Debt Collection Practices Act--(1978) This Act protects a person who is in debt from undue harassment or threats regarding payments of debts owed. The Act states:

1) Personal, family and household debts are covered, like money owed for a car, for medical care or for charge accounts.
2) A debt collector is anyone, other than the creditor or their attorney, who regularly collects debts for others.
3) The Act states that a debt collector may contact you in person, by mail, telephone, or telegram. However, it can't be at inconvenient or unusual times or places, such as before 8:00 a.m. or after 9:00 p.m., unless you agree.
4) A debt collector may not contact you at work if your employer disapproves. A debt collector may contact any person to locate you. However, they can only tell the person that the purpose is to try to contact you. They cannot say that you owe money.
5) Within 5 days after you are first contacted, the debt collector must send you a written notice telling you the amount of money you owe, the name of the creditor to whom you owe money, and what to do if you feel you do not owe the money.
6) The debt collector must not contact you if you send a letter within 30 days after you are first contacted saying you do not owe the money. However, a debt collector can begin collection activities again if you are sent proof of the debt, such as a copy of the bill.



Shopping for Money?

These are some sources of credit. Circle the ones you have used.

- Bank
- Finance company
- Small loan company
- Savings and loan company
- Credit union
- Charge card
- Store
- Pawn shop
- Illegal lender
- Friend or relative
- Life insurance policy

Name one large purchase you plan to make in the next year. ________
Where could *you* shop for money to make this purchase if you plan to use credit? ______________________________

____

____

____

____

UNIT VI: BORROWING

VI-3: Use of Retail Credit

OBJECTIVES:

Cite obligations and responsibilities of using credit
Identify possible penalities for failure to meet credit obligations and responsibilities
Give examples of durable goods for which credit might be wisely used
Describe a situation to determine whether credit was used wisely
Explain how making monthly payments might lead to a habit of monthly saving
Describe the conditions for obtaining a loan
Explain the relationship between the risk involved in a loan and the cost of credit
Discover the necessity of a good credit rating and procedures for maintaining it
Prepare a credit application form

VOCABULARY:

credit capacity
character
capacity
capital
risk
credit rating
durable goods
credit bureau
time payment plans

The wise use of credit may allow you to enjoy the use of a product while you earn the money to pay for it. Time payment plans, another way of saying credit, allow you to get what you need or want before you save the cash to cover the entire cost. Before you sign a time payment agreement or go into any kind of debt, be very sure that you will be able to meet the payments. Remember, credit costs money! You always pay more for something if you buy it on time rather than paying cash for it.

Use of Credit

Before you decide to buy anything on credit, ask yourself these questions:

Can I make the payment out of my regular income?
Do I have any credit or cash reserve to cover an unexpected illness, accident, or loss of job?
Am I willing to give up part of my regular income, for a number of months, for the sake of the credit purchase?
How far is my credit already extended?

Credit experts say that no more than 15% of your income--after taxes and excluding mortgage payments--should be tied up in time payments.

[Use the skit (pp. 221-222) to show obligations and responsibilities of the borrower. Summarize by asking the following questions.]

What do you promise when you use credit?
You will pay the money you owe.
You will make payments at a certain time.
You will give back what you are buying if you do not finish paying for it and you likely will not get back the money you have already paid.

What happens if you do not make your payments?
Whatever you bought may be repossessed.
It may be sold at auction and may not bring as much money as you still owe.
You may have to finish paying even though you don't have the item anymore.
It may be harder to get credit the next time you need it.

Review things to consider before using your credit from the handouts in the last lesson, Should You Use Credit? and Responsibilities of Credit Users and Creditors. Ask class to give examples of durable goods for which credit might be wisely used. Durable goods are items that do not become worn out or useless before the end of the payment period. Give the first three case study examples (p. 223) and let participants discuss points for and against using credit in each situation.

Give the last three cases (pp. 223-224) in which credit was used and tell what happened as a result. Could problems have been seen before they happened? Was credit used wisely? What changes would you make?

Saving through credit

Making monthly payments might lead to a habit of monthly saving. By getting the habit of making regular payments on a credit purchase, it may be easier for a family to make payments to themselves in the form of savings after the credit purchase has been paid for.

Another form of saving from the use of credit is caused by inflation of prices today and in the future. If you know that an item you want or need is going to be higher if you wait to save the money, it might be wise to buy it on credit. Be careful using credit this way. Always check to see if the interest charge plus the price will be less than the inflated price of the future. Make sure you can honestly justify the credit use to save yourself money.

Credit Rating

How does the lender measure the borrower's ability to pay? [Use transparency (p. 225).]

Just as doctors measure a person's temperature, pulse, heartbeat, etc. to determine their health, a lender uses measures to determine a borrower's credit capacity (the amount of credit it is safe for the borrower to use at any given time). The measures the lender uses are:

1) Character--whether you pay your bills on time
2) Capacity --whether you have a steady income
   --how much you earn
3) Capital --whether you own property or things worth more than your debt.

How you "measure up" determines your credit rating.

If the borrower meets these three qualifications, he or she is considered a "good risk." This means that the lender can be fairly sure that the borrower will repay the loan as promised. If the borrower does not meet any of these qualifications, he or she will probably have difficulty getting a loan because the lender cannot be certain that the money will be paid back. Many borrowers are somewhere in between these two extremes. One borrower may not earn much income, another might do only seasonal work, a third might not own any property and still another might not pay bills on time. Any of these things lowers one's credit rating. A combination of several reasons why the borrower does not measure up will make one's credit rating still lower.

What is a credit rating?

Credit is based on the lender's faith in the borrower's ability to pay. A credit rating helps the lender to determine whether the borrower is likely to repay the debt. To determine your credit rating the lender will probably telephone the local credit bureau. A credit bureau is an organization which collects and keeps files of information on your credit habits. They will know if you pay your bills when due. If you move to another town, the credit bureau there can get your credit records from the credit bureau in the town you left. You credit record stays with you even if you move to another town.

What if you don't "measure up"?

1) You may not be given credit.
2) You may not get as much credit.
3) You may have to pay more money to get credit.

To protect your credit rating [Use transparency (p. 226).]

1) Keep your promise to pay on time.
2) Let your creditors know if you can't pay--before the payment is due.
3) Give creditors your reason for not being able to pay. Usually some other agreement can be made.

Why is having a good credit rating important? (So a family can borrow money to meet their needs and for emergencies.)

In case of an emergency, what would happen to the family with a poor credit rating? (They would either have no place to get credit so they could meet their emergency or they would have to pay very high interest rates.)

Can you think of times when a good credit rating might be particularly valuable to your family? (In an emergency, when durable goods are needed, for education, for a new car, to buy a house, to buy furniture.)

[Have participants practice filling out the sample credit application form. (p. 227).]

APPLICATION: Obtain some sample credit applications from local businesses and let participants practice filling them out.

KEY IDEAS: The use of credit involves certain obligations and responsibilities.

Failure to meet credit obligations and responsibilities is likely to result in certain penalties.

Credit is used most effectively for durable goods that do not become worn out or useless before the end of the payment period.

The planning and regularity involved in making monthly payments may contribute to a habit of continuing to set aside a specific amount after the debt is paid.

The more risk involved in a loan, the higher the interest rate; on the other hand, the less risk, the lower the interest rate.

A good credit rating must be earned and maintained if use of credit is to contribute to success in family financial management.

WHAT IT MEANS TO PROMISE
(Skit)

Characters: Mary
Sally

Setting: Sally's kitchen--Sally is busy making a cake, when Mary knocks on the door.

Sally: (Goes to the door) Come in, Mary!

Mary: Thank you, Sally. Oh, Sally, I just don't know what to do!

Sally: Why, what's wrong, Mary?

Mary: (Almost in tears) It's the finance company! They're going to take away the furniture.

Sally: Why, Mary? Didn't you make your payment this month?

Mary: Well, no, but Bobby, Jr. just had to have a new coat. His old one was so small and Cindy needed new shoes, so I didn't have enough money left to make the payment on the furniture.

Sally: What about last month?

Mary: Well..., no, I guess we didn't make the payment last month either.

Sally: Wasn't it last month that Bob bought the new hunting gun?

Mary: Yes, and I guess we should have saved that money for payments. It would have almost been enough money for both payments.

Sally: When you and Bob borrowed the money for the furniture, you signed a contract promising to pay back the money, Mary. If you don't make the payments once a month like you promised, the finance company has a right to take back the furniture. In fact, that's probably in the contract you signed.

Mary: What about the money we've already paid? Can we get that back?

Sally: No, you probably won't get any of the money back.

Mary: What will they do with the furniture?

Sally: It may be sold at auction. If it is, it probably won't bring as much money as you still owe.

Mary: Do you mean we will still owe money on the furniture even if we don't have it any more?

Sally: Yes, you may have to finish paying for it even if you don't have it.

Mary: What will we do without furniture? We'll have twice as many payments if we have to pay for the furniture after it's repossessed and for new furniture, too!

Sally: There's one thing worse than that, Mary. If your furniture is repossessed, it may be harder to get credit next time you need it. If you try to buy new furniture on credit, you may have to pay higher interest or you may not be able to get credit at all.

Mary: But that's not fair!

Sally: Yes, it is, Mary! You promised to pay back the money you borrowed for the furniture! If you don't, you and Bob will have to accept whatever happens.

Mary: Oh, Sally! What can we do?

Sally: Well, maybe if you went to talk to the people at the finance company, they might give you a second chance. But if they do, you must not miss another payment or you'll lose your furniture for sure. At least it's worth a try.

Mary: Yes, it is. I'd do anything to keep from losing the furniture. I'll go home right now and talk to Bob. Maybe we can go to see the people at the finance company this afternoon. Thank you so much, Sally.

Sally: You're welcome, Mary. And good luck!

Mary: 'Bye. I'll let you know what happens in the morning. Thanks again.

Sally: Goodbye, Mary.

USING CREDIT
(Case Studies)

Unexpected Expenses Create Problems

The Valdez family is a large family. There are five children and with this many, one of them nearly always needs something. This week, Maria, a high school senior, needs a dress for the senior prom. The Valdez's have saved some money for the dress, but last week Antonio had a bad toothache and had to visit the dentist. Mrs. Valdez does not know what to do about getting a dress for Maria, but she does not want Maria to miss the prom. Even an inexpensive dress will cost about $35 and the dentist said Antonio should come back in 2 weeks. If she buys the dress on credit, the bill would be due the same week and there is little chance of saving enough money for the dentist's bill by then.

Beyond Repair

The Sneeds' hot water heater has heated its last gallon of water. The repairer says it can't be fixed, which means buying a new one immediately. An illness in the family took nearly all of the Sneeds' savings last month. If they spend their savings on the water heater, there will be only a few dollars left should another emergency occur. If they use credit, the Sneeds will probably have to pay high interest because they have a poor credit rating.

To Repair or Not to Repair

Joseph and Anna Patterson have an old car that doesn't run too well. They would like to buy a newer one, maybe one about 3 years old. They have $300 saved toward the purchase. They have planned to pay cash for the car. Today the old car stopped running again. The repairer says it will cost $100 to fix it. This is a third of the Pattersons' savings for the new car. They don't think that the repairs will add more than $50 to the value of the old car. Since the Pattersons have no other savings, they are worried about not having any extra money for emergencies. Also, Joseph's employment is irregular, so they might not have money for regular payments each month.

The Arnolds' Installment Buying

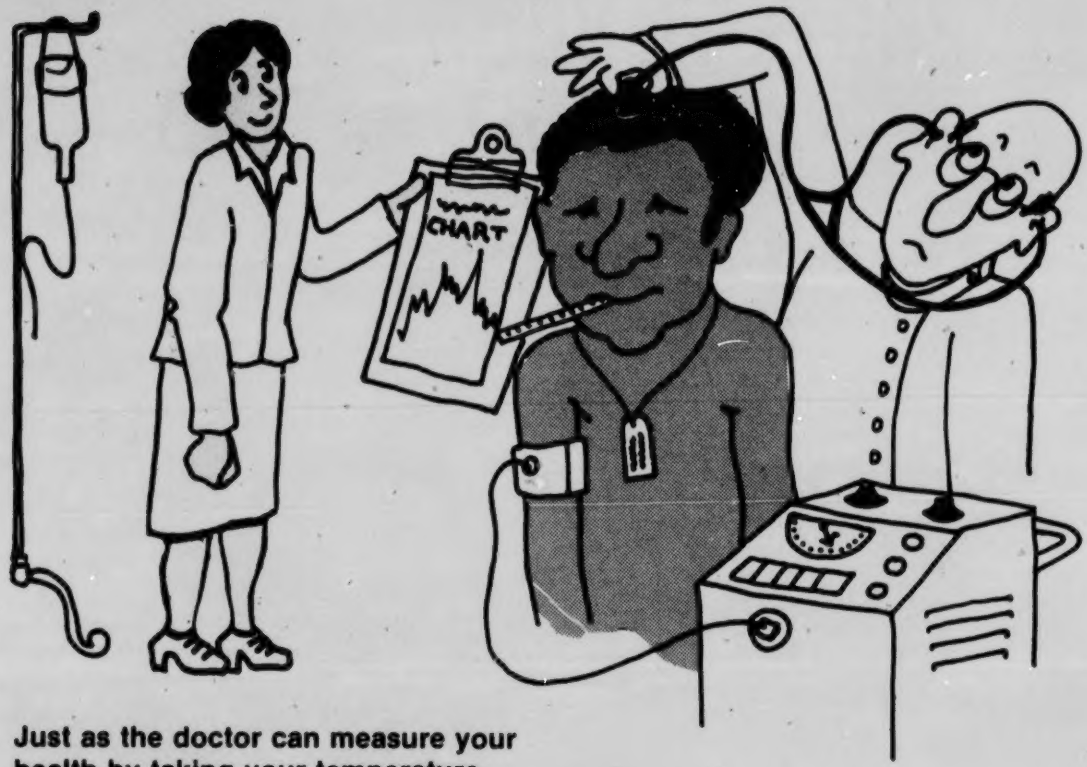
The Howard Arnolds thought the installment plan was tops. It allowed them to buy the very latest thing in kitchen ranges when they were first married. Several months later Helen became pregnant and had to give up her job. Still with the range only half paid for, they easily financed a new refrigerator and everything they wanted for the new baby. Then they found that they needed clothing and household items. Charge accounts seemed the obvious answer. They decided they must have a new TV and at only $15.50 a month, what could they lose? After the baby came, the Arnolds felt cramped for space and decide to buy a new house with a $24,000 mortgage. Emergencies and doctor bills forced the couple to borrow from a finance company to tide them over. Plagued with overdue bills, the Arnolds finally took a look at their financial situation. They were over $4,000 in debt, not counting the mortgage. With a second child on the way, Helen couldn't take a job, so they decided to sell the house. But it wouldn't sell! Finally the Arnolds lost the house to the bank when they couldn't make their mortgage payments and, at last, the Arnolds had to file for personal bankruptcy.

Installment Buying and Afterward

Mrs. Horace Cooper, age 59, is a widow on welfare. Still she had little trouble getting credit from a finance company when she decided to buy a TV set. She planned to cut down on her food buying to make the payments. Then a door-to-door salesperson convinced Mrs. Cooper that she owed it to herself to buy a new set of pots and pans at a cost of $5 a week. What Mrs. Cooper didn't know was that the pans cost $49.50 and that the interest was 30%. She would be a long time paying for those pans. For a while all was well. Then Mrs. Cooper became ill. She was able to see a doctor at the free clinic, but the medicine she needed was not available through the clinic and it was expensive. Mrs. Cooper's TV set was repossessed after she had made 3/4 of the payments. The pots and pans were also taken back. Mrs. Cooper was at least relieved to think she would not have to struggle to keep making payments. Then she learned that despite the fact that her purchases had been repossessed, she still had to pay for them.

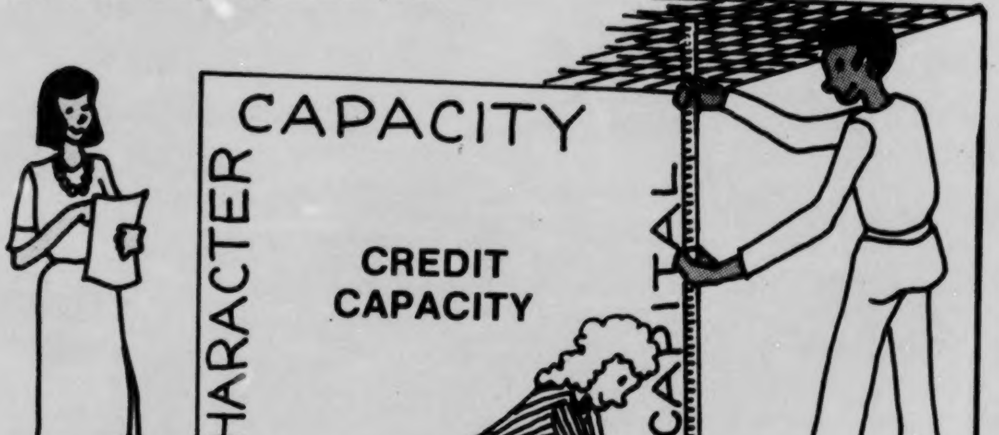
The Johnsons Get the Things They Need

Jerry and Joan Johnson are very careful when they use credit. They use it only for big purchases which are really needed. They shop around for credit and get money for their purchases where it costs them the least. So far the Johnsons have used their credit to buy a used car, a refrigerator, and a stove. Each was paid for before they bought the next. Today they make the last payment on the stove. They keep a small savings account for emergencies that sometimes occur, so they never fall behind on payments. By making only one credit purchase at a time, the Johnsons have a little extra money at the end of each month. They never have to cut down on necessities in order to keep up their credit payments. Next month the Johnsons will have enough money saved to make a sizeable down payment on a washing machine. This will save them a lot of interest. With a baby on the way the Johnsons will make good use of the washing machine.

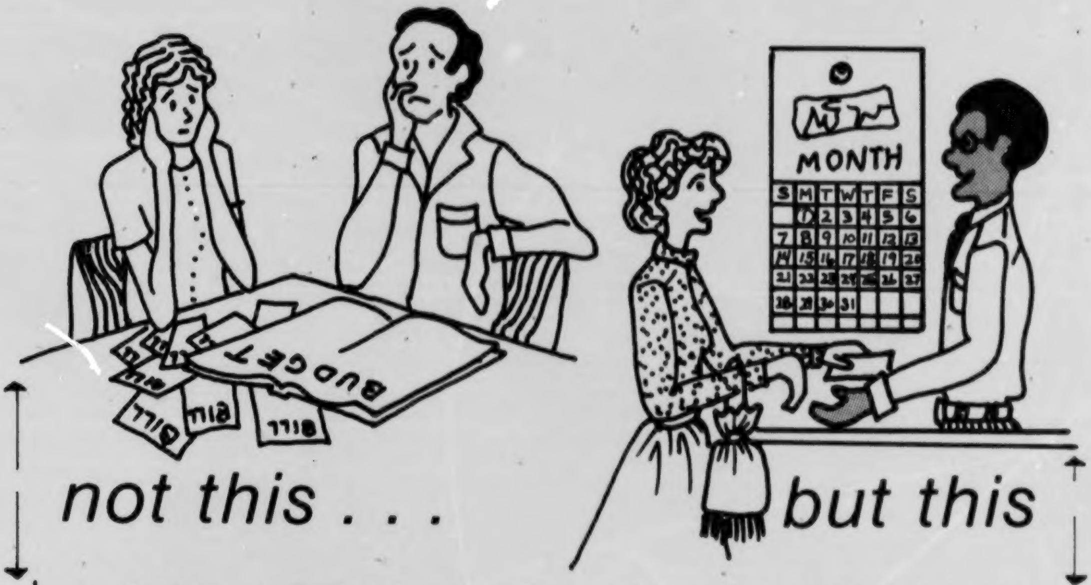


Just as the doctor can measure your health by taking your temperature, pulse and blood pressure. . . . .

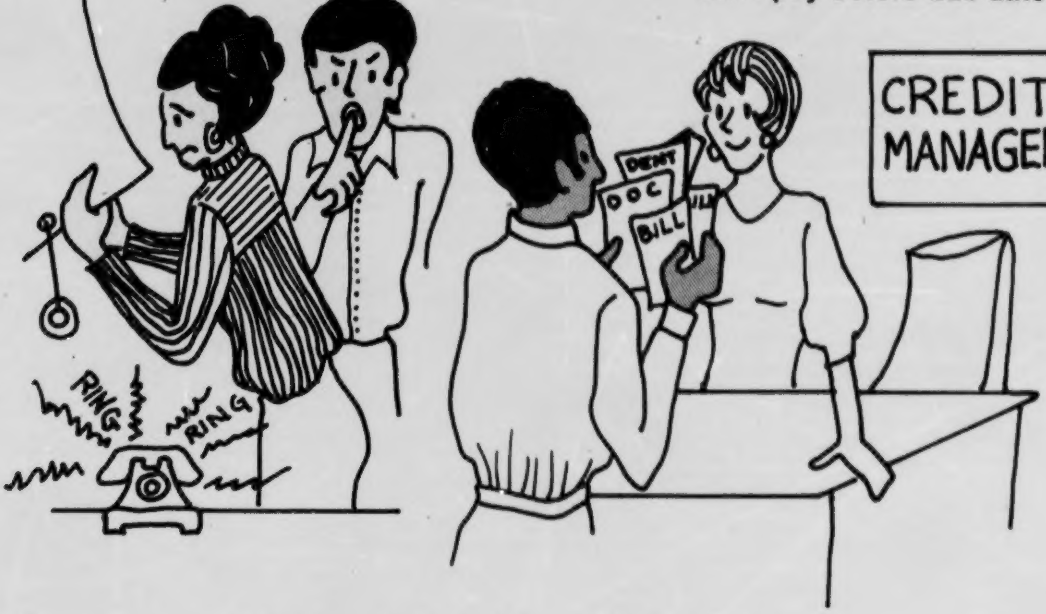
. . . you can measure your credit capacity by checking your character, capacity and capital.


CAPACITY
CHARACTER
CAPITAL
CREDIT
CAPACITY

TO PROTECT YOUR CREDIT RATING—


BUDGET
BILL
BILL
BILL
MONTH
S M T W T F S
not this . . .
but this

1. Keep your promise to pay on time.
2. Let your creditors know if you can't pay before due date.


RING
RING
DENT
DOC
BILL
CREDIT MANAGER

3. Give creditors your reasons for not being able to pay. Usually some other agreement can be made.

SAMPLE CREDIT APPLICATION FORM
(Handout)

NAME ________________________ DATE __________

NO. OF DEPENDENTS ____ SOCIAL SECURITY NO. ________ DATE OF BIRTH ________

HOME ADDRESS (STREET, CITY, COUNTY, STATE) ________________________ TIME AT RESIDENCE ________

TELEPHONE NO. ________ LIVE WITH PARENTS YES ___ NO ___ OWN ___ RENT ___

MORTGAGE PAYMENT OR RENT $________ MORTGAGE HOLDER OR LANDLORD ________

REAL ESTATE TITLE IN NAME ________________ ADDRESS OF MORTGAGE HOLDER OR LANDLORD ________________

PREVIOUS ADDRESS ________________________ HOW LONG ________

NEAREST RELATIVE ________________________ RELATIONSHIP ______

EMPLOYER ____________ TELEPHONE NO. ________ DATE OF EMPLOYMENT ____

ADDRESS ________________ POSITION ________________

PERMANENT ____ TEMPORARY ____ FULL-TIME ____ PART-TIME ____ SALARY $____

PREVIOUS EMPLOYER ________________________ HOW LONG ________

ADDRESS ________________ POSITION ________________

STARTING SALARY $____ ENDING SALARY $____ REASON FOR LEAVING ________

BANK ________________ ADDRESS ____________ CHECKING $______

LOAN AMOUNT $____ NUMBER OF PAYMENTS ____ AT $____ MONTH SAVINGS $______

CAR LOAN ________________ AMOUNT $____________ PAYMENT $______

OTHER INSTALLMENTS ____________ AMOUNT $____________ PAYMENT $______

____________ AMOUNT $____________ PAYMENT $______

CHARGE ACCOUNTS ________________________ AMOUNT $______

________________________ AMOUNT $______

PERSONAL REFERENCE ________________ HOW LONG KNOWN ____________

THE PRECEDING STATEMENT IS A TRUE AND ACCURATE ACCOUNT OF MY FINANCIAL STATUS.

SIGNATURE ________________________ DATE ________

UNIT VI: BORROWING
VI-4: Cost of Credit

OBJECTIVES:

- Define credit charges
- Explain various costs and charges that raise the cost of credit
- Compute the cost of using credit for a given purchase
- Relate the size of a down payment and length of repayment period to the interest rate or finance charges
- Determine how shopping for credit can aid in getting the most for one's money

VOCABULARY:

interest
finance charge
down payment
cash price
dollar cost of credit
true annual percentage rate
service charges
carrying charges
charges
credit life insurance policy
collateral
cosigner
90 day open account

As we have discussed, many people buy the goods and services they need or want by using other people's money. This is another way we can define credit. Credit buying is becoming a popular way of getting goods and services for many people. What most people do not stop and think about before they use credit is that there is an added cost to the price of the goods or service.

[Use visual entitled How Much Does Credit Cost? (p. 233) and let participants answer the questions.]

You have probably all watched quiz shows on TV. Today we are going to have a TV type quiz of our own. Before we begin our lesson, let's answer the questions in our "Do You Know?" quiz. As each question is read, decide what your answer will be. Then you will be asked to raise your hands for the answer you chose and we will write down on the flap the number who choose each answer. After our lesson we will look at our answers again to see if we want to change any.

Credit Charges

Credit is a service that consumers pay for. Buying on credit instead of paying cash is a more expensive way of getting goods because extra charges are added to the purchase price. Knowing the different costs of credit helps consumers to use credit wisely.

These charges--service charges, carrying charges, or finance charges--refer to the price paid for borrowing. The person who sells goods on credit charges extra because they must wait for their money. They also charge extra to make up for the bad debts of other people who have bought on time and have not paid their debts. They charge, too, for checking the credit rating of the person who buys on credit. The charge sometimes includes the cost for a credit life insurance policy. A credit life insurance policy is a form of insurance that pays what is owed if the person using credit should die or become disabled before paying off their debt.

What other charges might be made in a credit transaction? Charges, remember are the price you pay for borrowing. (Credit life insurance, credit health insurance, computer account fee, title fee, etc.)

Dollar Cost of Credit

The extra cost or dollar cost of buying on the credit plan is not listed on the price tag of the merchandise you are buying. You can figure the dollar cost of credit by comparing the credit price with the cash price.

To get the dollar cost of credit, you need the following information:

1) the trade-in allowance, if any
2) the amount of the down payment
3) the amount of regular payments
4) the number of payments
5) the cash price

When you have the information add all the costs of trade-in allowance, down payment, and regular payments. Multiply the regular payments by the number of payments, then add the trade-in allowance and down payment. This will give you the total price you will pay for the use of credit. The next step is to subtract the cash price from the credit price. The difference is the dollar cost of buying on a credit plan.

[Hand out How Much Does it Cost to Use Credit? (p. 234). Go over the example on the instruction sheet with the participants. Emphasize the importance of always trying to find out how much credit costs. Give participants paper to use in figuring the cost of credit for examples (p. 235).]

Figuring the Annual Percentage Rate

Knowing what the annual percentage rate will be is a key to cutting credit costs. Remember, that the annual percentage rate or (APR) is the unit pricing of money or the total cost of credit including interest, service and carrying charges, and charges for required insurance.

You can figure the annual percentage rate very easily. You take the monthly interest rate and multiply it by 12. Example: monthly interest rates are usually quoted as 1 or 1 1/2 percent a month. When you multiply 1 x 12, the APR would be 12%. [Have participants figure the APR of 1 1/2% a month. Answer 18% APR.]

Shopping for Credit

Cost of credit is different from dealer to dealer depending on the size of the purchase, the length of the loan repayment, and the credit reputation of the borrower. What are some other things which might affect the cost of credit? (The type of credit plan you choose. Where you arrange for the credit. The kind of collateral the lender or dealer requires from you.) Collateral is something having money value. The more collateral you offer, the lower the cost of credit. A cosigner, or someone who signs the note with you and is responsible for the loan repayment if you default, may lower the cost for you. The lower the annual percentage rate, the lower the cost of credit.

[Hand out sheets Comparing Credit Costs (p. 241) and read each story (pp. 236-237) that goes with this example. For teacher's answer sheet (pp. 238-240). At end of discussion about the Walters, point out these conclusions.]

> It is as important to shop for credit as it is to shop for other goods and services.
>
> You may save money by choosing the less costly source of credit.
>
> The lowest dollar cost of credit, however, should not be the only consideration. All elements of a transaction--the entire "package"--should be considered (quality and price of goods or service, terms, convenience, fairness, dependability, leniency, helpful guidance, etc., as well as the credit cost).

Why shop for credit? (Costs vary.) How does one shop for credit?

1) Get the cash price for an item from several dealers.
2) Find out if there would be a discount for paying cash.
3) Get the cost of loans from several sources. It might cost less to borrow from a bank or credit union than to pay the installment sales charges.
4) Get all the costs involved in paying on the installment sales plan. The dealer is required by the Truth-in-Lending Act to put all information regarding costs on the installment sales contract, but don't wait until the contract is made out--get the facts before you commit yourself. The size of the monthly payment can be almost any amount you want to pay. Remember that small payments for a long time increase the cost of credit.
5) Note how the finance charge is made. You will pay a lower finance charge if the monthly percentage rate is based on the unpaid balance rather than on the previous month's balance (before any payment is deducted).
6) Compare final costs from the sources you have contacted. When you know the facts, you can see which is the best deal. You must decide if having the item now is worth the extra cost, or if it would be better to wait until you could save at least enough for a large down payment.

[At close of the meeting, again use the visual "How Much Does Credit Cost?", (p. 233), record answers, then lift flaps to show the correct answer.]

APPLICATION: Have participants work in groups to practice figuring the dollar cost of credit from several sources, emphasizing the idea of comparing costs of credit. (p. 238 for example.)

Use the example (p. 238) to show how the size of the payments and the length of repayment affect the cost of credit. Point out that by making as large a down payment as you can and repaying your debt as quickly as possible, you can save money.

Using both examples, ask the participants questions to help them understand that different types of credit cost different amounts and that some sources of credit are less expensive than others.

As groups report which was the least expensive source of credit, have participants compare dollar cost of credit with true annual percentage rate. Define: true annual percentage rate--the percent of interest you would pay to use the money you borrow for one year. This figure must appear on your contract. Show participants contracts with the true annual percentage rate.

KEY IDEAS: The use of credit increases the cost of a product.

When using credit, the larger the down payment and the shorter the repayment period, the lower the interest and finance charges will be.

Shopping for credit, like shopping for other products and services, can help the consumer get the most for one's money.

HOW MUCH DOES CREDIT COST?
(Poster)

Directions for Making Poster: To make poster, print each statement on posterboard. Print the words to the right on the poster and circle the correct answer. Make flaps to cover the answers. Print the words to the right of each question on the flaps, leaving space to the right of each word for recording the number of students choosing that response.

1. Does using credit make what you buy cost any more?	Yes	No
2. Does credit cost the same amount wherever you get it?	Yes	No
3. If you make a larger down payment, will your payments be larger or smaller?	Smaller	Larger
4. If you make a small down payment, will you pay more interest or less interest than if you made a large down payment?	More	Less
5. If you take 24 months to pay your bill, will credit cost more or less than it would if you took 12 months?	More	Less

HOW MUCH DOES IT COST TO USE CREDIT?[1]

(Handout)

Use this example to learn how to figure the dollar cost of credit: You want to buy a 17 cubic foot refrigerator. It would cost $400 (price plus tax) if you paid cash for it. You plan to make a down payment of $40. You say you will make 18 monthly payments of $26.30 each.

Step 1

Multiply the amount of each payment by the number of payments.

$ 26.30
x 18
21040
2630
$473.40

Step 2

Add any other charges and the down payment to your answer. This gives the total amount you will pay.

$473.40
+40.00
$513.40

Step 3

Subtract the cash price from the "on time" price.

$513.40
-400.00
$113.40

This is how much more you pay to buy "on time."

Figure the cost of fiancing a news clothes dryer costing $188 cash with a down payment of $10. Monthly payments are $9.75 each for 24 months.

($9.75 x 24 = $234.00 + $10.00 = $244.00 - $198.00 = $46.00)

Figure the cost of financing a TV set with a cash price of $250 and a down payment of $25. You will pay 11 monthly payments of $20.60 each and 1 of $20.90.

(11 x $20.60 = $226.60 + $20.90 = $247.50 + $25.00 = $272.50 - $250.00 = $22.50)

---

[1] Adapted from How to Figure the Dollar Cost of Credit. Washington, D.C.: U.S. Government Printing Office, April, 1968.

HOW MUCH DOES IT COST TO USE CREDIT?[1]
(Handout)

Step 1

Multiply the amount of each payment by the number of payments.

$
x ________
$

Step 2

Add any other charges and the down payment to your answer. This gives you the total amount you will pay.

$
+ ________
$

Step 3

Subtract the cash price from the "on time" price.

This is how much more you pay to buy "on time."

$
- ________
$

---

[1] From How to Figure the Dollar Cost of Credit. Washington, D.C.: U.S. Government Printing Office, April, 1968.

COMPARING CREDIT COSTS
(Case Studies)

The Walters Shop for Money

The Walters family is buying a new television set. They have decided that they will use their credit to make the purchase. After shopping around and comparing TV sets and prices, they have decided on one which has a cash price of $310. Now they are ready to shop for money to pay for the TV set. They will shop just as carefully as they did for the TV set. First, they ask at the store about credit plans. The salesperson tells them that they can purchase the TV set on credit using either one of two plans. The first one is called a 90-day open account. Using this plan, the Walters would make a down payment of $31 and pay the rest in three months. The payments would be $93 each month for three months. There are no other charges and no interest is charged on 90-day accounts. (Use a transparency, blackboard, or chart to help students fill in the figures on their own charts for each source.)

The store also has an installment credit plan. If the Walters made a $31 down payment, they would have 18 monthly payments of $18.60 each. There are no other charges and the true annual percentage rate is 20%. The Walters thanked the salesperson for the help and told him they wanted to shop some more before they decided where they would get the money for the TV set. (Allow time for participants to figure credit costs.)

The Walters decided that since they had the money, they would definitely make the $31 down payment on the TV set.

Next they went to the bank where they asked for information about making a $279 loan. The banker told them that they could borrow $279 and repay the loan in 12 monthly payments of $26.27 each. The bank's true annual percentage rate is 13%. (Allow time for participants to figure credit costs.)

The Walters also checked with the finance company about making a $279 loan. They learned in order to get the loan they would have to make a down payment to the finance company of $14.24. The rest of the loan would be repaid in monthly payments of $13.59 for 24 months. True annual percentage rate is 22%. (Allow time for participants to figure credit costs.)

The Walters then checked with a small loan company. To borrow $279 there they would have to make a down payment on the loan of $29.16. Monthly payments of $29.17 would be made for 12 months. The true annual percentage rate of the small loan company was 35.9%. (Allow time for participants to figure credit costs.)

The Walters must now decide which source they will use to get money for the new TV set. You can help them by answering the following questions:

1. Which source charges the most interest? the least? no interest?
2. At which source is the dollar cost of credit the most? the least?
3. If the Walters can afford large monthly payments, which would be the cheapest source of credit?

4. If the Walter's cannot afford large monthly payments, which would be the cheapest source of credit for them?
5. If the Walters are poor credit risks, they may not be able to get credit from the first three sources. Which is the least expensive source remaining?
6. The last two sources of credit require a down payment on the loan. If the Walters are not able to afford both the $31 down payment to the store and the down payment on the loan, what might they do? (Not make the down payment to the store or borrow more money.) If they have to borrow more than $279, will this make the TV set cost more? (Yes, because they will have to pay more interest.)
7. The monthly payments on all but the first source of credit are about the same. From which source is the dollar cost of credit the least? the most?

The McAlisters Need a Dinette Set

The McAlisters are planning to buy a new dinette set. They are checking the cost of different forms of credit. The cash price of the dinette set is $225. They do not plan to make a down payment. If the McAlisters use the installment credit plan at the store, they will have payments of $20.62 a month, for 12 months. They will pay 18.5% true annual interest.

If they get a bank loan of $225 for a year, their payments would be $20.25 a month. Interest is 14.7%.

Mr. McAlister belongs to the credit union where he works. He could get a $225 loan there which would be repaid in 12 payments of $20 each. True annual percentage rate is 12.3%

At a finance company the family could get a loan at 32% interest with payments of $22 a month for a year.

No additional charges would be made on any of these loans.

A House for the Johnsons

The Johnsons are buying a home. The house will cost $26,000. The Johnsons have saved $2,000 for a down payment on the house. After checking at different banks they have been given the following figures on making a mortgage of $24,000.

Bank I. 20-year mortgage at 9 3/4% interest would have monthly payments of $256.79.
30-year mortgage at 9 3/4% interest would have monthly payments of $238.92.

Bank II. 20-year mortgage at 10% interest would have monthly payments of $260.09.
30-year mortgage at 10% interest would have monthly payments of $243.58.

Assume that no other charges are made.

COMPARING CREDIT COSTS
Of The Walters TV Set

Lender	Method of Payment	Number of Payments	x	Size of Payments	+	Other Charges	=	Total Amount to be Repaid	+	Amount of Down Payment or Trade-in Allowance	=	Total Amount Paid	-	Cash Price	=	Dollar Cost of Credit	True Annual Percentage Rate
Store	90-day open account	3	x	$ 93.00	+	0	=	$279.00	+	$ 31.00	=	$310.00	-	$310.00	=	0	----
Store	Installment credit	18	x	$ 18.05	+	0	=	$334.80	+	$ 31.00	=	$365.80	-	$310.00	=	$ 55.80	20%
Bank	Credit loan	12	x	$ 26.27	+	0	=	$315.24	+	$31.00 (to store)	=	$346.24	-	$310.00	=	$ 36.24	13%
Finance Company	Credit loan	24	x	$ 13.59	+	0	=	$326.16	+	$ 31.00 (to store) $ 14.24 (to finance company)	=	$371.40	-	$310.00	=	$ 61.40	22%
Small Loan Company	Credit loan	12	x	$ 29.17	+	0	=	$350.04	+	$ 31.00 (to store) $ 29.16 (to small loan company)	=	$410.20	-	$310.00	=	$100.20	35.9%

(Variation in the costs of financing the purchase of a television set which has a cash price of $310.00)

COMPARING CREDIT COSTS
Of The McAlisters Dinette Set

Lender	Method of Payment	Number of Payments	x	Size of Payments	+	Other Charges	=	Total Amount to be Repaid	+	Amount of Down Payment or Trade-in Allowance	=	Total Amount Paid	-	Cash Price	=	Dollar Cost of Credit	True Annual Percentage Rate
Store	Installment credit	12	x	$ 20.62	+	0	=	$247.44	+	0	=	$247.44	-	$225.00	=	$ 22.44	18.5%
Bank	Loan	12	x	$ 20.25	+	0	=	$243.00	+	0	=	$243.00	-	$225.00	=	$ 18.00	14.7%
Credit Union	Loan	12	x	$ 20.00	+	0	=	$240.00	+	0	=	$240.00	-	$225.00	=	$ 15.00	12.3%
Finance	Loan	12	x	$ 22.00	+	0	=	$264.00	+	0	=	$264.00	-	$225.00	=	$ 39.00	32%

(Variations in the cost of financing the purchase of a dinette set which has a cash price of $225.00)

COMPARING CREDIT COSTS
Of The Johnsons Mortgage

Lender	Method of Payment	Number of Payments	x	Size of Payments	+	Other Charges	=	Total Amount to be Repaid	+	Amount of Down Payment or Trade-in Allowance	=	Total Amount Paid	-	Cash Price	=	Dollar Cost of Credit	True Annual Percentage Rate
Bank I	Mortgage	240	x	$256.79	+	0	=	$61,629.60	+	$2,000	=	$63,629.60	-	$24,000	=	$39,629.60	9 3/4%
Bank I	Mortgage	360	x	$238.92	+	0	=	$86,011.20	+	$2,000	=	$88,011.20	-	$24,000	=	$64,011.20	9 3/4%
Bank II	Mortgage	240	x	$260.09	+	0	=	$62,421.60	+	$2,000	=	$64,421.60	-	$24,000	=	$40,421.60	10%
Bank II	Mortgage	360	x	$243.58	+	0	=	$87,688.80	+	$2,000	=	$89,688.80	-	$24,000	=	$65,688.80	10%

COMPARING CREDIT COSTS

Lender	Method of Payment	Number of Payments	x Size of Payments	+ Other Charges	= Total Amount to be Repaid	+ Amount of Down Payment or Trade-in Allowance	= Total Amount Paid	- Cash Price	= Dollar Cost of Credit	True Annual Percentage Rate

UNIT VI: BORROWING
VI-5: Reading and Signing Contracts

OBJECTIVES:

- Define types of contracts
- Identify common clauses of a contract
- List provisions which make contracts more binding
- Describe the penalties imposed on delinquent debtors
- Explain what the borrower promises to do by signing a contract containing a particular clause
- Apply contract terms to case situations
- Analyze common forms and terms of contracts in actual contracts
- Determine from the information given whether a contract should be signed

VOCABULARY:

- contract
- conditional sales contract
- chattel mortgage
- liable
- lend-lease or bailment lease
- mutual assent
- consideration
- void
- competent parties
- legality
- default
- repossess
- deficiency judgment
- waiver
- add-on or balloon clauses
- acceleration clause
- rule of 78s
- prepayment clause
- wage assignment
- wage garnishment

How many times have you signed your name to a document or paper while you were in the service, applying for a marriage license, applications for employment, receipts for merchandise, paychecks, or even your children's report card? Many, many times, and in all likelihood, you do it as a matter of routine.

But--have you also formed the habit of reading everything to which you sign your name before you sign? This should be particularly true of contracts. A good contract will protect you as well as the other party. A bad contract can cause you no end of trouble.

Do you know what should be included in a contract? [Use transparency (p. 253).] Do you know the meaning of terms frequently used in contracts? These are some of the things we will talk about today.

Types of Contracts

In order to understand contracts one needs to know the words used in them.

Contract--A legally binding agreement between two or more persons. It provides specified terms of payment and other conditions for the sale of certain items. It may be either oral or written. Beware of oral contracts. Many times oral contracts are not binding. Remember a person's word is just that. A written contract is legally binding.

Conditional sales contract--a sales contract which allows the seller to keep the title to the goods until the final payment is made. The seller usually has the right to declare the remaining payments due if you miss any payment. You are then liable (responsible for paying) for the cost of repossession and resale of the goods. You are also liable for the balance due in case the resale of the goods does not produce enough money to pay off the debt.

Chattel mortgage--You get the title to the goods immediately following the purchase. You then mortgage this title to the seller, who keeps this mortgage until the final payment is made. In addition to mortgaging the title of newly purchased goods to the seller, you must sign an agreement that you will pay the amount due. The seller is entitled to repossess and resell the goods if you do not complete payment of the debt. The seller may go to court and gain possession of and sell other property belonging to you if necessary to complete the payment for the purchase.

Lend-lease or bailment lease--This is a form of installment buying in which you rent the goods for a period of time. You receive the title to the goods when the rental payments have reached the purchase price (plus carrying charges) of the goods.

[Ask participants to explain each of these terms in their own words.]

Read the following cases and let the participants decide which type of contract is used in each.

Mr. and Mrs. William Scott have just purchased a new car. They will not get the title to the car until they have made their last payment. What type of contract did they sign? (Conditional sales contract)

Mary Brown got the title to her car when she bought it, but she still owes money on it. Mary mortgaged the title to the car dealer where she bought the car. What type of contract did she sign? (Chattel mortgage)

Bob Garza has a new lawn mower. He told his friend Jim White that he is really only leasing it, but if he decides to buy the lawn mower, it will be his after he has leased it long enough to pay for it. Which type of contract did Bob sign? (Lend-lease or bailment lease)

Legal Aspects of a Contract

When you and a seller sign an agreement requiring the seller to provide a service or deliver a product and you promise to pay money, you are both entering into a contract. Once you sign the contract it generally cannot be changed or broken unless you and the seller agree.

To be legally binding, a contract must contain the following things: [Use transparency (p. 254).]

Mutual assent--All parties involved must be in complete agreement on all terms of the contract.

Consideration--Something of value must pass between the parties to a contract in order to make it binding. Simply speaking, each party must give up something to get something. This is known as consideration. It may be anything of value, including promises or performed acts.

Competent parties--Persons entering into a contract must be competent; that is, they must be able to understand the terms of the contract. The person must also be over 18 in most states. In Texas the age of competence is 18.

Legality--A contract must be made for a lawful purpose. Illegal agreements cannot be enforced by a court of law.

Read the following case situations and let the participants decide what legally binding aspect of a contract is in each situation.

Mr. and Mrs. Harold Burk purchased a new washing machine on the installment plan and signed a conditional sales contract. On delivery of the machine as promised, they discovered, much to their dismay, that it did not fit into the space where their old washer had been kept. Since the dealer had lived up to all conditions agreed to in the contract, Mr. and Mrs. Burk were forced to accept the washing machine they had purchased. They could not void (change or do away with) the legally binding agreement. What was the reason the Burks had to keep the washing machine that didn't fit? (Mutual assent)

Jim Johnson promised to build new cabinets in Tom Thompson's kitchen if Tom would pay him $50 immediately. Tom paid Jim the $50. Tom can hold Jim to his promise because he has given consideration in the form of $50, an object of value. What is this called? (Consideration)

In exchange for Addison Autos' promise to sell and deliver a car to Jane Valdez for $500, Jane promised to pay $50 a month for 10 months. The consideration here was a promise. What is this called? (Consideration)

A cabinet maker friend of yours promises to give you a bookcase and then does not do it. This is not a contract since you did not have to give anything in return. Thus, you cannot force your friend to give you the bookcase as promised. Why couldn't you force your friend to give the bookcase? (There was no consideration involved.)

Debbie bet Howard $10 that the Midland High School team would beat Lubbock High in Saturday's football game. Debbie lost the bet but refused to pay. Howard could take no legal action because the law enforces only legalized gambling contracts, such as bets made at race tracks. Why couldn't Howard force Debbie to pay? (Not a legal contract)

Susan Lloyd, a 17-year-old high school student, visited a used car lot and contracted to buy a used car for $50 a month over a year's period of time. The state in which Susan resided required that a person had to be at least 18 years of age in order to be legally capable of entering into a contract. Susan was unable to meet her payments after the fourth month, so the dealer sued her for the balance due. The court refused to accept the dealer's claim because the contract was invalid. How old does a person have to be in most states to enter into a contract? (18) What term is used to describe persons who may enter into a contract? (Competent parties)

Parts of a Contract

There is no better way to protect yourself than to read and understand the contract before you sign it. After reading, you can change the contract by adding or removing anything that you are unwilling to agree to or which is not what you bargained for.

Know what you are agreeing to do before you sign a contract. [Use transparency (p. 255), of the parts of the contract.]

> CONDITIONAL SALES CONTRACT
>
> "The Buyer agrees to pay the total balance and further agrees that until such payment has been made that the Seller shall retain title to and right of possession of said merchandise."

To what conditions has the buyer agreed? (To pay the total balance; to let the seller keep the title until the final payment is made)

> CONDITIONAL SALES CONTRACT
>
> "until the full amount is paid.... The buyer will not transfer, sell or remove the property from one's residence or encumber it without the written consent of the Seller..."

Under this contract, what legal obligations do the buyers have while they are making payments, in case that:

- they move? (Get written permission from the seller to move what they purchased.)
- they want to give the merchandise away? (Get written permission from the seller.)
- they wish to re-sell the merchandise? (Get written permission from the seller.)

> CONDITIONAL SALES CONTRACT
>
> "...and the Buyer will keep the merchandise in good condition and repair...and will assume all responsibility for loss or damage to said merchandise."

While payments are being made under this contract, who is responsible if the merchandise is:

- damaged? (Buyer)
- lost? (Buyer)
- in poor condition? (Buyer)

Bill and Sherry Jones bought a TV set on credit. Their five-year-old son, Billy, and their eight-year-old daughter, Jolie, were chasing each other in the house one rainy day. One of the children's feet accidentally caught the lamp cord causing the lamp to fall through the glass on the TV. If the contract the Joneses signed contained this clause, who is responsible for repairing the TV set? (The Joneses)

CONDITIONAL SALES CONTRACT

"...and in event of default in any payment or payments by the Buyer, the Seller may have the option to declare the entire balance due, repossess the merchandise or affirm the sale and hold the Buyer liable for the unpaid balance..."

Default means that the buyer cannot make the payments as promised. Repossess means the seller can take back the merchandise from the buyer.

Futhermore, in addition to losing the product and the payments, the buyer could also be held responsible for the deficient amount. This is called a deficiency judgment. This happens when the repossessed goods do not sell for as much as the debtor still owes. To make up this difference, the court could order the original buyer to pay the difference.

Victor and Maria Garza bought a new dinette set from Brown's Appliance Store. They still lacked four payments when Maria's pregnancy forced her to stop working. They missed two payments. What could Brown's Appliance Store do? (Declare the entire balance due or repossess the dinette set)

CONDITIONAL SALES CONTRACT

"In the event this note is repaid in full one month or more before the final installment date, the amount of interest precomputed hereon shall be subject to refund according to the rule of 78s."

The rule of 78s is a way to figure how much interest will be subtracted from the interest charge if you pay off the loan before it is due. The rule of 78s gives the borrower the chance to make payments before they are due, and at the same time the rule helps the borrower to save a little money on their interest charges.

All contracts do not have a prepayment clause. A prepayment clause is a statement in the contract that says you may or may not make payments before they are due without loss of interest charges. The rule of 78s is a prepayment clause. In some cases, such as a home mortgage loan, a person has to pay an extra charge if they pay off the loan before it is due. The reason for this is a bank or mortgage company makes money on the interest they charge. If a person pays off the loan early the banks would lose income they had expected to make.

CONDITIONAL SALES CONTRACT

> "...Buyer agrees to pay costs incurred by the Seller in enforcing any provision of this contract, in the collection of payments, or in the sale of the repossessed merchandise..."

The buyer is agreeing to pay any expenses involved in enforcing this contract. This could be very costly.

> Laura Parsons failed to make the payments on the refrigerator she had bought. The store has gotten a deficiency judgment against her from the court. Who will pay the court costs and the cost of the truck which came to repossess the refrigerator? (Laura)

CONDITIONAL SALES CONTRACT

> "...the entire contract between the Seller and the Buyer is contained on both sides of this agreement..."

All terms of the contract must be in writing. Any verbal promise which is not written into the contract at the time of the sale is not binding legally.

> Walter Jordon bought some pots and pans from a door-to-door salesperson for much less than he would expect to pay for so many. The salesperson promised Walter that the pots and pans would last 30 years. The salesperson said acid couldn't hurt them, nor could extremes of hot and cold. Now two months later the handles are coming off, several are badly warped, and one has turned black on the inside. The promises the salesperson made were not in the conditional sales contract that Walter signed. Is there anything Walter can do to make the salesperson live up to the promises? (He might contact the Better Business Bureau, but since the promises are not in the contract, little can be done.)

Contracts to Avoid

Sometimes contracts contain clauses or provisions that make the contract more binding and may even determine the penalty imposed on delinquent debtors. [Use transparency (p. 256) of the parts of Conditional Sales Contracts which follow:]

CONDITIONAL SALES CONTRACT

> "...and in event of default by the Buyer, the Seller may declare the entire unpaid balance due in full..."

This clause in a contract is called the acceleration clause. It means that if the buyer cannot make a payment, it is possible that all remaining payments will be declared due at once. If the buyer could not afford to make one small payment, he or she probably cannot afford to pay the large balance due. The goods could be repossessed and the buyer could lose the payments that were already made. Avoid any contract which has an acceleration clause.

If Mike and Sandra Tucker miss a payment on their new couch and chair when Sandra stops working and returns to school, what might the finance company do if their contract contains an acceleration clause? (Demand that they pay the entire balance or repossess the furniture)

CONDITIONAL SALES CONTRACT

> "...Seller may at their option add subsequent purchases to this contract...and all terms of this contract shall apply equally to additional goods purchased...."

This clause means that additional purchases may be added to this same contract. This is called "add-on clause." Instead of issuing a new contract for new purchases, the seller adds them to the old contract. In this case, merchandise already paid for under the existing contract becomes security for the new purchase. Beware! The add-on clause means that you don't own any of the merchandise until all is paid for. For example, suppose the buyer purchased a television set, and over a period of months paid for it. Then the buyer purchased a typewriter on the same contract, and was unable to make the last two payments. What would happen? Under this add-on feature, by defaulting in the payment of the typewriter, the buyer could lose both the typewriter and the television set! All items could be repossessed! It is to the advantage of the buyer to request a new contract for each new purchase.

The balloon clause, where the final payment in a contract is much larger than the other payments, should also be avoided. It is much easier for the buyer to meet smaller payments of the same size. What if the buyer could not afford the last large payment when due? She or he could lose the product and the payments, or might have to refinance the loan, which is costly.

Jo Ann and Jessie Parker can just barely afford the $25 payments each month on the washing machine they are buying. The Parkers have no savings. What may happen to them if the balloon clause in their contract calls for a final payment of $75?

CONDITIONAL SALES CONTRACT

> "...Acceptance of overdue payments will not serve as a waiver of any provision of the agreement."

"Waiver" means to give up; cancel; eliminate. This clause means that if you are unable to make your payments when due, but later have the money to pay them, it makes no difference. Repossession and/or deficiency judgment could occur in the meantime.

Gracie Rodriguez was laid off work for a week and was unable to make the payment on the rug she was buying for the living room of her apartment. Although she will be able to make the payment in two weeks, what might happen before then if her contract contains this clause?

CONDITIONAL SALES CONTRACT

"The statute of limitations as to any payments due under the contract shall be extended for four years beyond the time provided by the laws of this state."

This clause is also a waiver. This means that you have given up some of your legal rights with a clause such as this. For example, the laws in your state may say that no legal obligation of indebtedness may go beyond four years. However, if you sign a contract with this waiver, you are extending your obligation from four to eight years!

Before You Sign a Contract

Of course, not all contracts have such clauses. How can you know if such clauses are included in the contract you are about to sign? There's only one way--and that is to read every word of a contract before you sign it and be sure you understand what it says.

Before signing a credit contract be sure all blanks are filled in and that figures are accurate. According to United States law, the following information must be stated in contracts for the purchase of goods or services on time. [Give participants handout (pp. 257-258) and discuss.]

- -date on which finance charges begin
- -description of purchase
- -cash price of the product
- -down payment or trade-in allowance, if any
- -amount left to be paid
- -list of charges included in the finance charge
- -total amount to be financed
- -finance charges expressed as an annual precentage rate of interest
- -number of payments, amount of each payment, and dates scheduled payments are due
- -charges to be made in event of late payments
- -description of any security held by the creditor

Also look for:

- -insurance cost, if any
- -what happens if you miss a payment
- -what happens if you cannot pay
- -anything you or the salesperson promise to do
- -your "rights"
  - a. when you get title for the goods
  - b. what you must do if you want to sell or give away the goods
  - c. your obligations when and if the seller repossesses the goods
  - d. whether you receive a refund in credit charges if you complete payment for the goods in a shorter time than the contract requires

Before you sign--be sure all figures are entered correctly and that there are no blank spaces to be filled in later by the dealer or lender. Make sure all promises are in writing. Likewise, have terms to which you do not agree removed. Demand explanation of any terms you do not understand. Be sure that all copies of the contract are exactly alike. If the contract is a major transaction, such as buying or selling a house, be sure to have a lawyer read it before signing. If you don't understand what it says, don't sign. Have someone you trust read the contract and explain it! Take it home to read if necessary. Don't let anyone rush you. Take your time. You may be sorry if you rush!

If you sign a contract with blank spaces, what might the seller do when filling them in? (The seller might raise the amounts you agreed to or fill in clauses to which you would not agree.)

> Louis James bought a used car on credit. The dealer assured him that it was in top condition and that should anything go wrong within 60 days, it would be fixed free of charge. These promises were not written into the contract. A month later, the carburetor went out. The dealer would not fix it. Can Louis force the dealer to keep the promise? (No, the promises were not written into the contract)

CONDITIONAL SALES CONTRACT

"Security. (1) You may use any insurance benefits under this contract to pay amounts I owe. (2) If "Yes" is under "Wage Assignment" above and I don't pay on time, my employer may pay 10% of my salary (if over $85 per week) to you for amounts I owe."

A wage assignment allows the creditor to collect a certain percentage of your salary from your employer should you fall behind in your payments. The amount that can be collected is limited by law. Usually the amount is 10 percent, but sometimes as much as 25 percent of your total salary. Even though a wage assignment clause is stated on the contract, there is a separate agreement you would sign.

Do not confuse a wage assignment agreement with wage garnishment. Wage garnishment is a court order taken out by the creditor through legal action. This court order makes your employer pay a certain amount of your salary to the creditor. The U.S. Consumer Protection Act puts limits on how much of your salary can be garnished. The actual dollar amount that can be garnished is based on the current minimum hourly wage rate. The Act also keeps your employer from firing you because of garnishment for any one indebtedness.

Wage assignments and wage garnishments are not allowed by law in some states. For example, in Florida, Michigan, Massachusetts, Pennsylvania, and Texas, it is against the law to assign or garnish anyone's salary. In New Jersey and New York only 10 percent of your salary can be assigned or garnished. It is a very good idea to know the laws of the state that you live in.

There are many forms of the installment Conditional Sales Contract. Not all contracts have all of the features we have discussed. Check different contracts and compare. Sign only those contracts whose terms you can agree upon. Always keep your copy of the contract. Your copy of the contract is the only proof you have of the conditions of the agreement.

APPLICATION: Show several sample contracts [Use transparency (pp. 259-260) and other you make from contracts you can obtain.] and point out some of the concepts discussed.

Divide participants into groups and give them cases (pp. 261-262) and sample contracts (pp. 263-270) which include some of the conditions discussed in this lesson. Ask them to explain conditions of the contract.

KEY IDEAS: Understanding contracts and contract terms contributes to more responsible consumership.

Once in force, a contract generally cannot be changed or broken unless both parties agree.

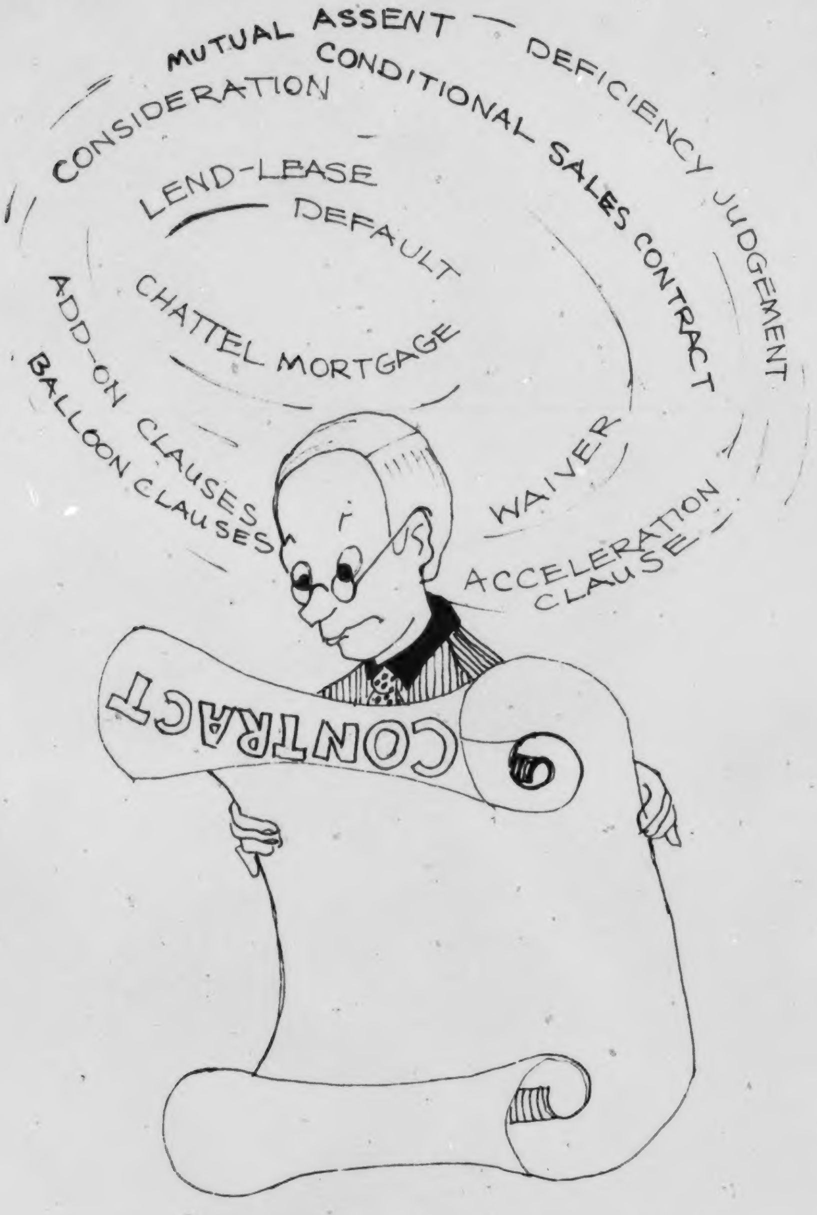
The best way to protect your rights as a consumer is to read and understand the contract before you sign it.

Oral promises are not legally binding.

All parts of the contract should be filled in or a line drawn through the blank before the contract is signed.

Signing a blank contract is like signing a blank check, because it tempts some sellers to fill in terms that are not advantageous to the buyer.

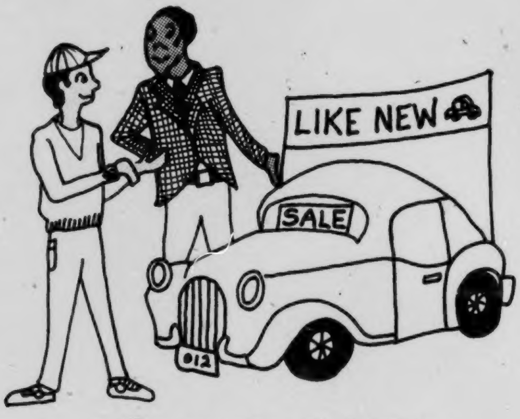
Keeping a copy of the contract is the only proof you have of the conditions of the contract.


MUTUAL ASSENT
DEFICIENCY JUDGEMENT
CONDITIONAL SALES CONTRACT
CONSIDERATION
LEND-LEASE
DEFAULT
CHATTEL MORTGAGE
ADD-ON CLAUSES
BALLOON CLAUSES
WAIVER
ACCELERATION CLAUSE
CONTRACT

Roll back this fog of confusion

Mutual Assent

Consideration


LIKE NEW
SALE
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Competent Parties

Legality

PARTS OF A CONTRACT

CONDITIONAL SALES CONTRACT

"The Buyer agrees to pay the total balance and further agrees that until such payment has been made that the Seller shall retain title to and right of possession of said merchandise."

CONDITIONAL SALES CONTRACT

"until the full amount is paid.... and the Buyer will not transfer, sell or remove the property from one's residence or encumber it without the written consent of the Seller...."

CONDITIONAL SALES CONTRACT

"...and the Buyer will keep the merchandise in good condition and repair...and will assume all responsibility for loss or damage to said merchandise."

CONDITIONAL SALES CONTRACT

"...and in the event of default in any payment or payments by the Buyer, the Seller may have the option to declare the entire balance due, repossess the merchandise or affirm the sale and hold the Buyer liable for the unpaid balance...."

CONDITIONAL SALES CONTRACT

"In the event this note is repaid in full one month or more before the final installment date the amount of interest precomputed hereon shall be subject to refund according to rule of 78s."

CONDITIONAL SALES CONTRACT

"...Buyer agrees to pay costs incurred by the Seller in enforcing any provision of this contract, in the collection of payments, or in the sale of the repossessed merchandise...."

CONDITIONAL SALES CONTRACT

"...the entire contract between the Seller and the Buyer is contained on both sides of this agreement...."

PROVISIONS OF CONDITIONAL SALES CONTRACT TO AVOID

CONDITIONAL SALES CONTRACT

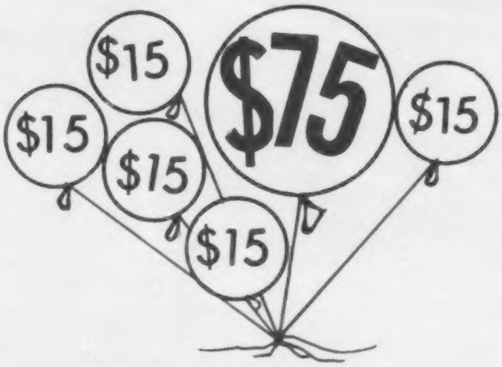
"...and in event of default by the Buyer, the Seller may declare the entire unpaid balance due in full...."

CONDITIONAL SALES CONTRACT

"...Seller may at their option add subsequent purchases to this contract...and all terms of this contract shall apply equally to additional goods purchased...."

CONDITIONAL SALES CONTRACT

"...5 payments of $15 each and a final payment of $75."



CONDITIONAL SALES CONTRACT

"...Acceptance of overdue payments will not serve as a waiver of any provision of the agreement."

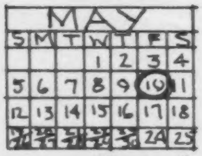
CONDITIONAL SALES CONTRACT

"The statue of limitations as to any payments due under the contract shall be extended for four years beyond the time provided by the laws of this state."

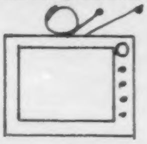
CONDITIONAL SALES CONTRACT

"Security. (1) You may use any insurance benefits under this contract to pay amounts I owe. (2) If "Yes" is under "Wage Assignment" above and I don't pay on time, my employer may pay 10% of my salary (if over $85 per week) to you for amounts I owe."

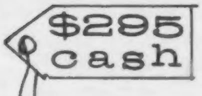
BEFORE YOU SIGN--CHECK
(Handout)



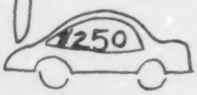
- date on which finance charges begin



- description of purchase



- cash price of the product



- down payment or trade-in allowance, if any

$350

- amount left to be paid

CHARGES
1 $ 5
2 $ 17
3 $ 2

- list of charges, including finance charge

$1100

- total amount to be financed

18%

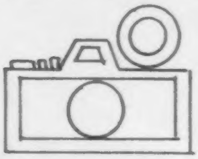
- finance charge expressed as an annual percentage rate of interest

5 Payments of $25 each due 1st of each month

- number of payments, amount of each payment, and dates scheduled payments are due

PENALTY $5

- charges to be made in event of late payments

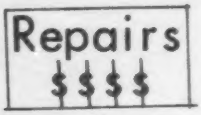


- description of any security held by the creditor

Credit Life Insurance $10

- insurance cost, if any

- what happens if you miss a payment or cannot pay



- anything you or the salesperson promise to do

- your "rights"
  a. when you get title for the goods
  b. what you must do if you want to sell or give away the goods
  c. your obligations when and if the seller repossesses the goods
  d. whether you receive a refund in credit charges if you complete payment for the goods in a shorter time than the contract requires

CONDITIONAL SALES CONTRACT

Date ________________ 19 __

To ______________________
(Seller)

____
(Street)

____
(City) (State)

Buyer's Name ______________________
Residence
Address ______________________

____
(City) (State)

I (meaning the undersigned buyer or buyers, jointly or severally) hereby buy from you the following goods:

Article	Model No.	Serial No.

Use This Schedule if Monthly
Payments Are Unequal

$_____on_____19__ $_____on_____19__
$_____on_____19__ $_____on_____19__
$_____on_____19__ $_____on_____19__
$_____on_____19__ $_____on_____19__

Cash price	$ ________
Sales tax	$ ________
Credit service charge	$ ________
Total purchase price	$ ________
Down payment (a) Cash $_____ (b) Allowance for trade-in $_____	$ ________
Balance	$ ________

_________ payments, which is payable in installments of $_________ on the _________ day of each _________, commencing on _________, 19____.

FINANCE CHARGE computed by applying a monthly rate of 1.5% (ANNUAL PERCENTAGE RATE 18%).

Title to goods purchased under this contract is retained by you until payment of full purchase price. I agree to keep the goods safe and free from all other liens and at the above address unless you consent in writing to their removal.

REFUND for prepayment in full shall be made according to the rule of 78's.

The full balance shall become due on default, together with a 15% attorney's fee if then placed with an attorney for collection. In case of default, you shall also have the right to retake the goods wherever located, hold and dispose of them and collect expenses, and I shall have the right to redeem the goods or require their sale at public auction, all as provided by the law of the State of Texas.

This is our entire agreement, subject to any written guarantee or service contract duly delivered by you, and cannot be changed orally. If I shall be given written notice that you have assigned this contract, you shall continue responsible for all of your obligations, but your assignee's rights shall be independent of my claims against you.

THIS IS A CONDITIONAL SALES CONTRACT

Accepted:

Seller's Signature: ______________________

By ____________ Title ____________

Buyer's Signature: ______________________

I have received an executed copy of this contract. No other extension of credit exists, or is to be made, in connection with this purchase.

____
(Buyer's Signature)

SIGNING CONTRACTS
(Skits)

Promises, Promises

Setting: Billy and Jan Blackwell are buying a new rug for their living room. They have decided on the one they want and are talking about financing it. The rug has a cash price of $97.65

Jan: Is this rug guaranteed?

Salesperson: Oh, yes, it has a lifetime guarantee.

Billy: If we found something wrong or unsatisfactory about it, could we return it?

Salesperson: Yes, just bring it back to the store and we will refund all you have paid plus interest and a special bonus or give you a new rug and a bonus for your trouble.

Jan: Although we have never missed a payment on anything we bought on credit, emergencies sometimes happen. If we have an emergency, could you arrange smaller payments or delay payments for awhile?

Salesperson: Of course we could. "A friend in need is a friend indeed." That's our motto! Why, we could carry you for 3 or 4 months at no extra cost to you.

Billy: That sounds great! Let's sign the contract, Jan.

Study the contract (p. 262) given to the Blackwells and decide whether or not they should sign it.

What's In a Figure?

Setting: Karen and Jerry Armstrong have found a sofa that they think was made just for them. They are discussing the cost with the salesperson after deciding to finance the purchase at the store.

Salesperson: Now folks, this little sofa can be yours for the low price of just $159.95. You've selected the buy of a lifetime and I know you're just going to love this sofa.

Jerry: How much will the payments be?

Salesperson: Payments are a mere $9.95 a month. Won't it be easy to pay for your sofa while you have it to enjoy at the same time?

Karen: It sounds good, but how much interest will we pay?

Salesperson: You will pay a mere 3% a month on the declining balance. And in a year the sofa will be paid for.

Jerry: It sounds too good to be true. We'd better sign the contract before you change you mind.

Read the contract (p. 264) given to the Armstrongs and decide whether they should sign it.

A Dealer, A Dollar, If There's A Blank--Holler!

Setting: Debra and Donald Edwards have agreed to purchase a used car from Wheeler Used Cars. The contract should be ready for them to sign today.

Debra: Hello, Mr. Wheeler. We came by to see if the contract on financing our car is ready.

Mr. Wheeler: Well, no! I'm afraid it isn't. You see, my secretary's sister is having a baby, so she's not here today and she didn't finish your contract yesterday.

Donald: Gee, that's too bad! We sure were hoping we could take the car home today. We wanted to show it to Debra's folks this weekend.

Mr. Wheeler: I am sorry and I know you're eager to show everybody what a fine buy you've made. Let's see what we can do. (He gets out a contract.)

Debra: We sure do appreciate this, Mr. Wheeler.

Mr. Wheeler: Let's see. We agreed on $1495 didn't we? And I was going to check with my secretary to see what we could give you on your old car. I'll have to leave that one. You wanted to pay for the car in 24 months. Right? (Looks frantically in drawers.) Oh, Miss Richards must have locked my payment schedule in her desk. I'll have to wait to fill in the amount of the payments. Now if you folks will just sign right here you can have the car to show to your family and friends this weekend.

Donald: I can't wait to show it to June and Jerry! Won't ole Jerry be jealous!

Study the contract (p. 266) and decide whether the Edwards should sign it.

Read That Contract!

Here is a copy of the contract (p. 268) given to Mr. and Mrs. Domingo Cortez. Read it carefully so that should they ask you whether you think they should sign it, you could help them decide.

CONDITIONAL SALES CONTRACT

Date March 5, 1980

Buyer's Name Billy + Jan Blackwell

To Friends Dept. Store
Seller

Seller

Residence Address 201 42nd Street
Street

Your Town, Texas
City State

I (the undersigned) hereby buy from you (the seller), subject to the terms and conditions hereinafter set forth, the following goods:

Article	Model No.	Serial No.
9' X 12' rug	4016	—

1.	Cash Price		$97.65
2.	Service Charges		$5.00
3.	Delivery and Installation Charges		$8.00
4.	Total Purchase Price		$110.65
5.	Down Payment (a+b)		
	(a) Cash down payment	$10.65	
	(b) Trade in allowance	$—	$10.65
6.	Unpaid Balance of Purchase Price (4-5)		$100.00
7.	Finance Charge		$9.75
8.	Time Balance (6+7)		$109.75
9.	Deferred Payment Price (4+7)		$120.40
10.	Annual Percentage Rate		18%

I agree to pay the time balance for the goods and services which are described above. The time balance on this contract, the computations of which are shown above, is payable in monthly installments to the seller of $ 9.14 each for 11 months and a final installment of $ 9.10, on the 20th day of each month, beginning April 20, 19 80, and continuing until fully paid.

Title to the goods included in this contract shall be retained by you until the time balance is fully paid. I agree not to dispose of the goods, remove them from their original location, or encumber them without your written consent, and to protect you against all loss or damage to the goods from the time they are delivered until I have fully paid for them. If I fail to comply with any provision of this contract, you may, at your option, declare the unpaid time balance on this contract immediately due and payable. In such event, I agree to pay such balance upon demand or you may, in the manner provided by law, retake the goods and pursue any further remedy provided by law. If more than one person signs this contract, the obligation shall be joint and several.

This is our entire agreement, subject to any written guarantee or service contract duly delivered by you and cannot be changed orally.

NOTICE TO BUYER

Do not sign this contract before you read it or if it contains blank spaces. You are entitled to a copy of the contract you sign. Under the law, you have a right to pay off in advance the full amount due and under certain conditions may obtain a partial refund of the finance charge. Keep this contract to protect your legal rights.

I acknowledge receipt of a copy of this contract:

Signature ______________________________ Date __________, 19__

Address ____

By ____
Husband or Wife or Authorized Agent

EVERYTHING STORES

By ____________________________ Location ____________________

CONDITIONAL SALES CONTRACT

Date March 10, 1980

Buyer's Name Jerry & Karen Armstrong

To Fine's Furniture (Seller)

Residence Address 1610 Western Ave. (Street)

(Seller)

Somewhere (City) Texas (State)

I (the undersigned) hereby buy from you (the seller), subject to the terms and conditions hereinafter set forth, the following goods:

Article	Model No.	Serial No.
Sofa	110678	—

1.	Cash Price		$159.95
2.	Service Charges		$—
3.	Delivery and Installation Charges		$5.00
4.	Total Purchase Price		$164.95
5.	Down Payment (a+b)		
	(a) Cash down payment	$—	
	(b) Trade in allowance	$25.00	$25.00
6.	Unpaid Balance of Purchase Price (4-5)		$139.95
7.	Finance Charge		$27.83
8.	Time Balance (6+7)		$167.78
9.	Deferred Payment Price (4+7)		$192.78
10.	Annual Percentage Rate		36%

I agree to pay the time balance for the goods and services which are described above. The time balance on this contract, the computations of which are shown above, is payable in monthly installments to the seller of $9.95 each for 11 months and a final installment of $58.33, on the 15th day of each month, beginning April 15, 1980, and continuing until fully paid.

Title to the goods included in this contract shall be retained by you until the time balance is fully paid. I agree not to dispose of the goods, remove them from their original location, or encumber them without your written consent, and to protect you against all loss or damage to the goods from the time they are delivered until I have fully paid for them. If I fail to comply with any provision of this contract, you may, at your option, declare the unpaid time balance on this contract immediately due and payable. In such event, I agree to pay such balance upon demand or you may, in the manner provided by law, retake the goods and pursue any further remedy provided by law. If more than one person signs this contract, the obligation shall be joint and several.

This is our entire agreement, subject to any written guarantee or service contract duly delivered by you and cannot be changed orally.

NOTICE TO BUYER

Do not sign this contract before you read it or if it contains blank spaces. You are entitled to a copy of the contract you sign. Under the law, you have a right to pay off in advance the full amount due and under certain conditions may obtain a partial refund of the finance charge. Keep this contract to protect your legal rights.

I acknowledge receipt of a copy of this contract:

Signature ______________________________ Date __________, 19__

Address ____

By ____

Husband or Wife or Authorized Agent

EVERYTHING STORES

By ______________________ Location ______________________

CONDITIONAL SALES CONTRACT

Date March 8, 1980

Buyer's Name Donald + Debra Edwards

To Wheeler Used Cars
Seller

Residence Address 1410 Maple Ave.
Street

Seller

Anywhere, Texas
City State

I (the undersigned) hereby buy from you (the seller), subject to the terms and conditions hereinafter set forth, the following goods:

Article	Model No.	Serial No.
1975 4-door sedan	H14678	416R109K8

1.	Cash Price	$1,495.00
2.	Service Charges	$ 23.00
3.	Delivery and Installation Charges	$ —
4.	Total Purchase Price	$1,518.00
5.	Down Payment (a+b)	
	(a) Cash down payment . . . $ —	
	(b) Trade in allowance. . . $ —	$
6.	Unpaid Balance of Purchase Price (4-5)	$
7.	Finance Charge	$
8.	Time Balance (6+7)	$
9.	Deferred Payment Price (4+7)	$
10.	Annual Percentage Rate	

I agree to pay the time balance for the goods and services which are described above. The time balance on this contract, the computations of which are shown above, is payable in monthly installments to the seller of $______ each for 23 months and a final installment of $______, on the 1st day of each month, beginning April 1, 1980, and continuing until fully paid.

Title to the goods included in this contract shall be retained by you until the time balance is fully paid. I agree not to dispose of the goods, remove them from their original location, or encumber them without your written consent, and to protect you against all loss or damage to the goods from the time they are delivered until I have fully paid for them. If I fail to comply with any provision of this contract, you may, at your option, declare the unpaid time balance on this contract immediately due and payable. In such event, I agree to pay such balance upon demand or you may, in the manner provided by law, retake the goods and pursue any further remedy provided by law. If more than one person signs this contract, the obligation shall be joint and several.

This is our entire agreement, subject to any written guarantee or service contract duly delivered by you and cannot be changed orally.

NOTICE TO BUYER

Do not sign this contract before you read it or if it contains blank spaces. You are entitled to a copy of the contract you sign. Under the law, you have a right to pay off in advance the full amount due and under certain conditions may obtain a partial refund of the finance charge. Keep this contract to protect your legal rights.

I acknowledge receipt of a copy of this contract:

Signature ______________________________ Date __________, 19___

Address ____

By ____
Husband or Wife or Authorized Agent

EVERYTHING STORES

By ______________________________ Location ____________________

CONDITIONAL SALES CONTRACT

Date March 3, 1980

Buyer's Name Mr. & Mrs. Domingo Cortez

To Friendly Appliances
Seller

Seller

Residence Address 601 Guadalupe Ave.
Street

Elsewhere, Texas
City State

I (the undersigned) hereby buy from you (the seller), subject to the terms and conditions hereinafter set forth, the following goods:

Article	Model No.	Serial No.
T. V.	16790	4168 H G 510

1.	Cash Price		$225.00
2.	Service Charges		$—
3.	Delivery and Installation Charges		$—
4.	Total Purchase Price		$225.00
5.	Down Payment (a+b)		
	(a) Cash down payment	$20.00	
	(b) Trade in allowance	$—	$20.00
6.	Unpaid Balance of Purchase Price (4-5)		$205.00
7.	Finance Charge		$45.00
8.	Time Balance (6+7)		$250.00
9.	Deferred Payment Price (4+7)		$270.00
10.	Annual Percentage Rate		23%

I agree to pay the time balance for the goods and services which are described above. The time balance on this contract, the computations of which are shown above, is payable in monthly installments to the seller of $ 5.00 each for 49 weeks and a final installment of $ 5.00, on Thursday of each week, beginning April 10, 1980, and continuing until fully paid.

Title to the goods included in this contract shall be retained by you until the time balance is fully paid. I agree not to dispose of the goods, remove them from their original location, or encumber them without your written consent, and to protect you against all loss or damage to the goods from the time they are delivered until I have fully paid for them. If I fail to comply with any provisions of this contract, you may, at your option, declare the unpaid time balance on this contract immediately due and payable. In such event, I agree to pay such balance upon demand or you may, in the manner provided by law, retake the goods and pursue any further remedy provided by law. I also agree to pay reasonable attorneys' fees and collection costs. Acceptance of overdue payments will not serve as a waiver of any provision of this agreement. In addition to the statute of limitations as to any payments due under this contract shall be extended for four years beyond the time provided by the laws of this state. If more than one person signs this contract, the obligation shall be joint and several.

This is our entire agreement, subject to any written guarantee or service contract duly delivered by you and cannot be changed orally.

NOTICE TO BUYER

Do not sign this contract before you read it or if it contains blank spaces. You are entitled to a copy of the contract you sign. Under the law, you have the right to pay off in advance the full amount due and under certain conditions may obtain a partial refund of the finance charge. Keep this contract to protect your legal rights.

I acknowledge receipt of a copy of this contract:

Signature ______________________________ Date __________, 19___

Address ____

By ____

Husband or Wife or Authorized Agent

EVERYTHING STORES

By ______________________________ Location ____________________

UNIT VII: INSURING
VII-1: What Is Insurance?

OBJECTIVES:

- Cite ways in which insurance may be a means of sharing risks
- State how insurance may reduce fear and anxiety over possible emergencies
- Identify insurance needs families may have
- Explain common insurance terms
- Give examples of points to consider in buying insurance

VOCABULARY:

hazards
risks
insurance
emergency
policy
agent
claim
conditions
declarations
exclusions
endorsements
package policy
insured
insurer
premium
insuring agreement

There are two important reasons why people should have insurance. The first reason is to protect you and your family from suffering hard times due to unexpected emergencies, and the second reason is to help you to meet your obligations to others who might suffer injuries or loss on your account. Insurance is protection against financial losses, and it will help you get back some or all of your money. What are some of the big emergencies which can occur in a family? [Use visual (p. 276).] The possibility of these emergencies occuring may be called hazards. Every family is constantly faced with the possibility of one or more of these hazards creating a family emergency.

Insurance is a major concern for everybody. If families had to worry constantly about all the hazards their families faced, they would do little but worry. Most families feel safe in knowing that should an emergency come up, they are protected. What have these families done to secure their future against emergencies? They have purchased insurance against one or more of the hazards they face. Insurance is like an umbrella. An umbrella will not keep rain from coming, but it will keep you from getting wet. An insurance policy will not keep a disaster from occurring, but it will keep the results from being so bad financially. Do you think families who have insurance when an emergency occurs feel different from families with no insurance? Why?

How insurance works

Insurance works when a number of people pay a certain amount of money regularly into a common fund. This common fund is for those people in the group who may need financial help because of a loss. Many people share the financial burdens of others by being in an insurance program. This can be done because of the large amount of people who pay for the same coverage as you do. The sharing of risks is what insurance is all about. By sharing risks involving money with other people who face similar hazards, one's fears and anxieties decrease. Well-planned insurance protection can mean peace of mind. It can assure replacement of economic losses due to loss of life, property, or family income.

It can provide an emergency fund on which the family may draw. It can help provide for long-term needs through savings and investments. It can provide income after retirement. Insurance can even provide for a guaranteed education for your children.

Insurance needs

The type of insurance you buy depends on your needs. But how does a family know what kinds of insurance and how much insurance it needs? A number of things will help you decide how much insurance your family needs. [Use visual (p. 277).] A family's insurance needs will depend on:

1) Number of dependents (how many people you support).
2) Stage of family life cycle (There is a difference in the kind of insurance a family in the beginning stages needs and what a family with grown children needs.)
3) Age of the person taking out the insurance (The older you are, the more insurance costs.)
4) Family earning power (now and later, related to education, occupation, ability, drive, family connections, age, and geographical residence).
5) Occupational hazards (Risks are higher for unskilled laborers, persons working out-of-doors even in bad weather, pilots, and those who operate heavy machinery.)

If you know your needs, you will be better prepared to choose the right kind and amount of insurance to meet your individual needs.

Types of insurance

With an understanding of the different kinds of insurance and the features of each, a person is more likely to get all possible benefits they need for themselves and their families.

What are some of the common types of insurance? [Use flannel board (p. 278).]

Life insurance
Whole or Straight Life Permanent
Limited-Payment Life Permanent
Endowment Permanent
Renewable Term
Decreasing Term

Health Insurance
Hospital Expense
Surgical Expense
Major Medical Expense
Regular Medical Expense
Dental Expense
Accident

Social insurance
Worker's Compensation
Medicaid
Medicare
Social Security

Property Insurance
Homeowner's
Fire
Personal Property
Renter's
Automobile

Insurance terms

There are insurance terms everybody needs to know when looking for an insurance program. They are:

Agent--A person who works for and is trained by an insurance company to sell insurance policies to customers. The agent's job is to explain the advantages and disadvantages of the type of insurance you are looking for, be aware of what you can afford when buying an insurance policy, and give you service when the need comes up.

Claim--Your request to the insurance company for payment for loss.

Conditions--A section of the policy which clearly states the rights and obligations of the company and the policyholder. These conditions also state what you must do after a loss to receive payment, payment information, termination of the contract, and duties after a loss.

Declarations--A list of personal information you give the agent or company when you apply for insurance. The information usually included is your name and address, the length of the policy, what the policy covers, the charges for each coverage, the highest payment the company will pay you under each coverage, and a description of the property which you are insuring.

Endorsements--Additional forms which extend, restrict, or clarify the basic policy.

Exclusions--The risks which are not covered under the insurance policy, such as injuries or damages you cause on purpose, or partial coverage on risks in certain situations.

Insured--Person protected by the policy.

Insurer--Company issuing the policy.

Insuring agreement--The insurance company's promise to pay, which states what must happen or what is covered in a loss, and sets the highest amount payable in case of loss. For something to be covered by the insurance policy it must be listed in the insuring agreement.

Package policy--A method of combining different types of insurance into one policy.

Policy--The written form the insurance company gives to each person who pays for insurance protection. It tells exactly who is insured, for what amount, and exactly what kind of protection has been purchased.

Premium--Amount paid periodically for the insurance protection of a given policy.

Risk--The chance taken by the insurance company that the hazard insured against will actually happen.

Except for health and life, most insurance policies will have declarations, insuring agreements, exclusions, conditions, and endorsements included in them.

APPLICATION: Give each participant a slip of paper (half with words and half with definitions). Let them match the word and the definition by checking with the slips held by other participants. Token prizes may be given to participants as they make the correct match with their slips. If participants have difficulty reading, the teacher might give a word or definition orally to each participant.

Buying insurance

Insurance, like other goods and services, requires wise and careful shopping. There are three tips you should know before making your final decision about insurance. They are:

1) Know how to select an insurance company and agent.
2) Understand the terms of the insurance policy.
3) Be familiar with insurance costs.

How should you buy insurance?

1) Be sure to deal with an honest insurance company. Find out if it is licensed to do business in your state. Does the company have a nationwide claim service? Talk to your friends, your employer, fellow workers.
2) Do the company and the agent have a good reputation and services? Are they reliable? Ask around. If the company fails to pay its claims, chances are you will hear about it.
3) Does the agent care about you and your needs or just selling the policy? Consider if the agent is willing to talk prices fairly and explain the advantages and disadvantages of different policies.
4) Arrange to pay premiums either annually or semi-annually. You save money that way.
5) Study very carefully the conditions stated in the policy you are considering. What does it cover? What does it not cover? Make certain that it contains all the protection you want.
6) Before buying insurance, compare similar policies from a variety of sources.
7) Don't buy so much insurance that you cannot meet your other needs. Find an agent you trust, and have him help you plan how much insurance to buy. Insure against your greatest and most important risks first.
8) Each year when it it time to renew your policy, consider whether your needs have changed.
9) Always report any kind of claim to your agent or company immediately.
10) Keep your policy in a safe place. Keep a record of your policy in a different place. If your policy is lost or destroyed the company will give you another one, but this takes time.

[The information given above might be given to participants as a handout.]

After you have chosen the insurance company and agent you think can meet your needs, tell the agent your income, any debts you might have, what you want insured, and any future goals you might have. This will help the agent plan an insurance program designed just for you.

Remember! Be careful before you sign a policy. Know, read, and understand the cost and terms of the insurance policy. Do not hesitate to ask questions. That is an agent's job. Do not let yourself be talked into something you do not want, need, or cannot afford.

Be a wise consumer by comparing prices to get the best insurance at the lowest cost.

KEY IDEAS:

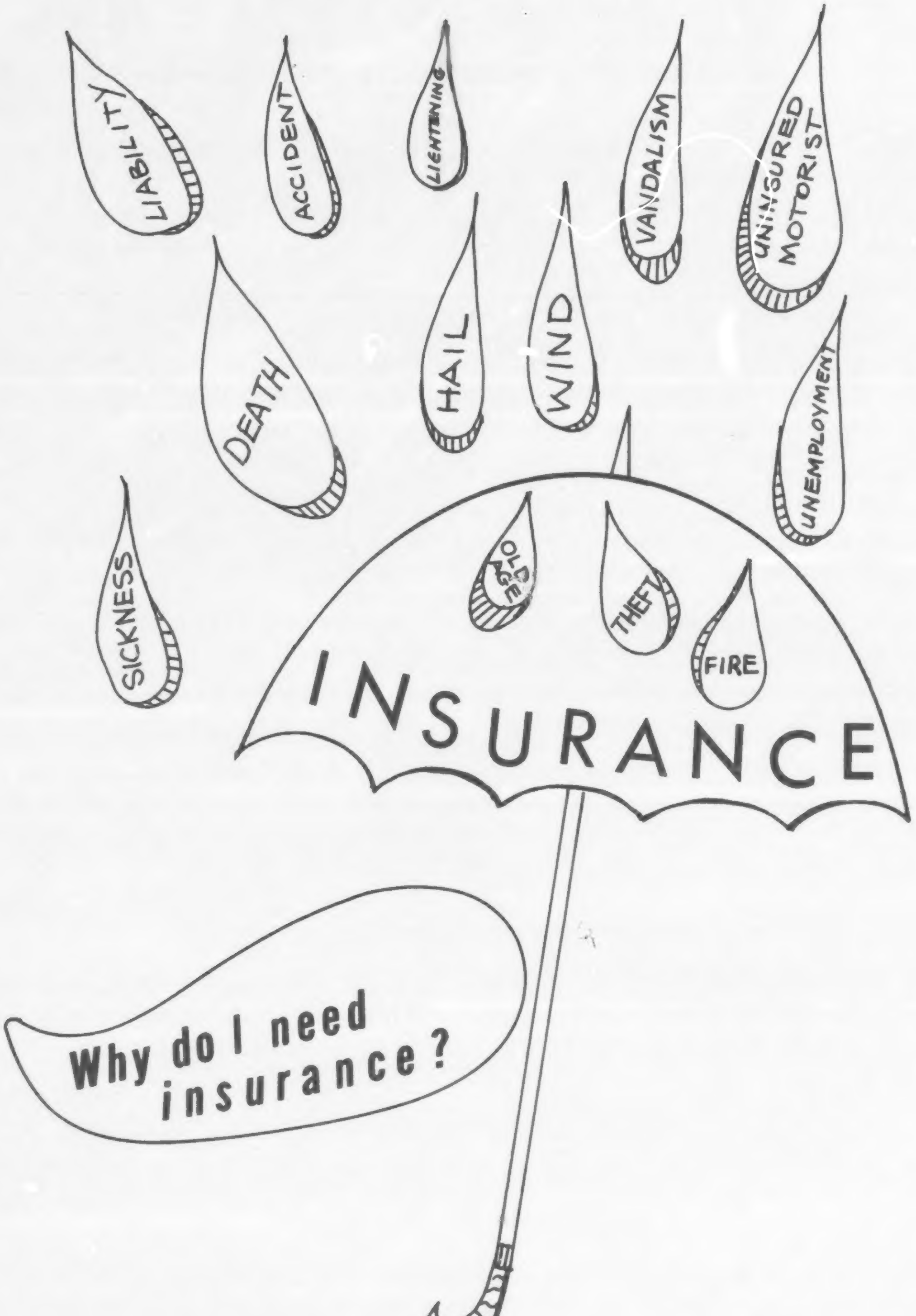
Families protect their incomes by sharing certain risks through insurance.

Insurance tends to reduce fears and anxieties.

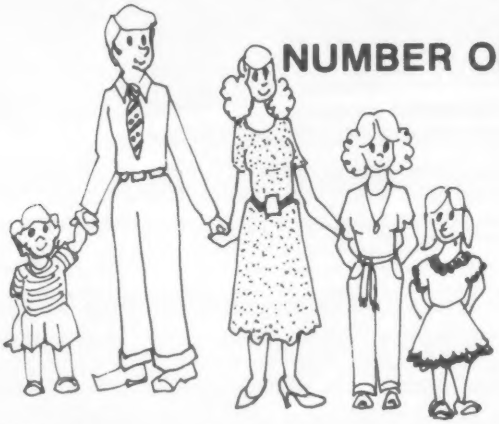
Insurance needs vary from family to family.

Knowing common insurance terms can aid one in purchasing insurance.

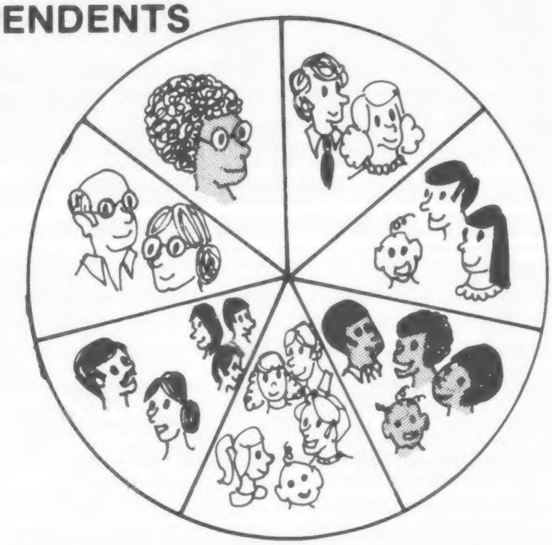
A good consumer should know essential points in buying insurance.


LIABILITY
ACCIDENT
LIGHTENING
VANDALISM
UNINSURED MOTORIST
DEATH
HAIL
WIND
UNEMPLOYMENT
SICKNESS
OLD AGE
THEFT
FIRE
INSURANCE
Why do I need insurance?

Factors in Determining YOUR Insurance Needs



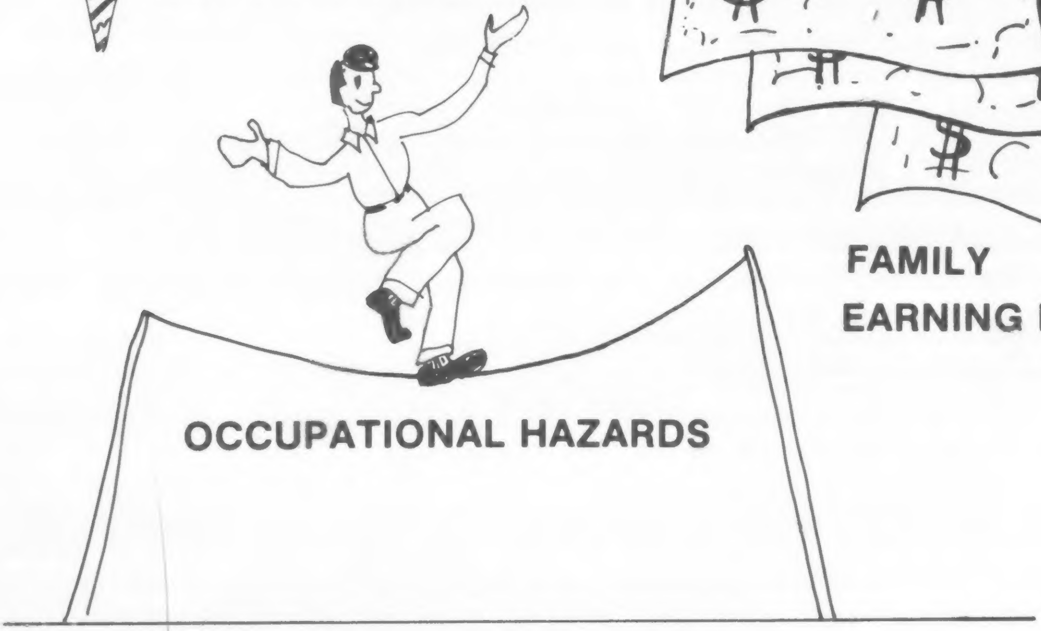
NUMBER OF DEPENDENTS



STAGE IN LIFE CYCLE

AGE OF PERSON

FAMILY EARNING POWER



OCCUPATIONAL HAZARDS

TYPES OF INSURANCE

Directions for flannel board:

Place pictures illustrating different types of insurance in the appropriate places. For example--use a picture of a wrecked car for automobile insurance; use a picture of a retired elderly person for social security.

- Life Insurance
- Health Insurance
- Social Insurance
  - Social Security
  - Medicare
  - Medicaid
- Property Insurance
  - Home Insurance
  - Personal Property Insurance
  - Automobile Insurance

UNIT VII: INSURING
VII-2: Life Insurance

OBJECTIVES:

Identify purposes for life insurance
List sources of life insurance
Describe basic types of life insurance

VOCABULARY:

- life insurance
- term
- straight life
- limited payment
- renewable term
- convertible term
- increasing term
- decreasing term
- level term
- endowment
- renewal provision
- convertible provision
- cash or loan value
- family income policy
- family policy
- mortgage insurance
- credit life insurance
- group life insurance
- industrial insurance

What is life insurance? Life insurance is a means of providing income for the family if the breadwinner should die. It is also a way of setting aside income during earning years to provide for later needs such as education for children or income for retirement. It may provide money to cover burial expenses. It is easy to get confused with the many kinds of life insurance available. It is wise to know your needs before you choose a life insurance plan.

Determining insurance needs

How can you determine your insurance needs? The best guides in deciding what type and amount of life insurance to buy are your needs and the circumstances in which you live. The need for insurance depends on the following items:

1) Consider your family's needs, or the standard of living your dependents want to keep if the breadwinner dies.
2) Consider the number and ages of your dependents.
3) Consider other protection and financial resources available to the family such as Social Security, veteran's benefits, other types of insurance you already have, and other kinds of savings you will have, as well as the likelihood that your spouse will be able to work in case of your death.
4) Consider current income and future earning power.

After you have determined your needs for insurance you might find the following general rules helpful in choosing a plan to meet your need. The rules are:

1) Concentrate life insurance on the family wage earners.
2) Use the less expensive types of life insurance.
3) Do not drop one policy to buy another without careful study because your premiums on a new policy will be higher since you are older.
4) Buy only the amount of insurance you can afford.

It is important to remember that the main reason for life insurance is to protect the family members from the financial worries of paying off debts or supporting surviving dependents in case of the breadwinner's death.

Types of life insurance

What kinds of life insurance can you buy? All kinds of life insurance can be identified as providing term or permanent protection. [Use flannel board (p. 284) to illustrate the types of insurance.]

Term Insurance provides low-cost insurance for a limited period of time, usually 5 or 10 years, or to a given age, such as 65 or 70 years. If the insured person dies during the time the policy is in force, the company pays the beneficiary the value of the policy. If the insured person does not die while the policy is in force, protection ends unless a new policy is taken out. Term insurance has no cash value, but it does provide protection, for less money, for those early in life. The cost of the insurance usually increases as a person gets older.

There are five kinds of term life insurance. They are:

> Renewable Term Insurance--provides renewal provisions which guarantee the insured person the right to renew the policy without having another medical examination. The most common kind of renewable term insurance is 5 year term. The policy is renewed for the same length as the original term policy These policies usually have a limited number of terms and cannot be renewed on the insured person past a certain age.
>
> Convertible Term Insurance--provides convertible provisions that allow you to change the policy from term to permanent insurance without a medical examination. This kind of term insurance would be good for families with growing children.
>
> Increasing Term Insurance--provides provisions for the premiums to stay the same for the length of the term, but the amount of coverage gets larger each year.
>
> Decreasing Term Insurance--provides provisions for the premiums to stay the same during the term, but the amount of coverage becomes smaller. An example of decreasing term would be mortgage insurance.
>
> Level Term Insurance--provides for the amount of protection and the death benefits to be fixed during the term the policy is in effect. These policies may be renewable or nonrenewable. If the policy is nonrenewable the premium will go up for the new policy.

Term insurance has no cash or loan value. You cannot borrow money against it or get any money back if you cancel the policy.

Permanent Life Insurance provides lifetime protection for the person being insured and their dependents. It serves as a form of savings account because the policy increases in value with each premium payment. Permanent insurance builds up a cash value. Cash value means the amount of money the insured person would get if the policy was cashed in.

There are three kinds of permanent life insurance. They are:

Straight or Whole Life Insurance--provides protection for a lifetime with premium payments at relatively low cost until death or age 100. If you are 25 when you buy the insurance the length of the policy is 75 years. The premium rate--

1) is higher than the rate on a term insurance policy.
2) is lower than the rate on any other permanent policy.
3) depends on your age at the time you buy your policy.
4) stays the same each year.

As premiums are paid, reserves, called cash surrender and loan value are built up. The cash surrender value of the policy is the amount of cash or paid-up insurance you could get at a given time should you decide to cancel the policy. It is based on the number of years you have been paying on the policy. The loan value is the amount stated in the policy which you may borrow from the insurance company against the cash value of your policy. Interest (at the rate indicated in the policy) must be paid on the amount borrowed. Should you die before the loan is repaid, the amount still owed would be subtracted from the value of the policy.

Limited Payment Life Insurance--provides lifetime protection. Premiums are paid for a limited number of years, 10, 20, or 30 years, or until you reach a certain age, usually 60 or 65 years. Premiums are higher than for straight life because they are paid for a shorter period of time. However, the cash value and loan value grow faster than for straight life insurance because the premiums are higher.

Endowment Policies--provide life insurance with a high degree of savings. Premiums are paid over a stated period of years or to a certain age. The face value of the policy is paid to the insured person if they are living when the policy matures. Payment may be in a lump sum or in installment payments. If the policyholder dies while receiving installment payments, any amount remaining will be paid to their estate. If the insured person dies before the policy matures, the beneficiary receives the face value of the policy. Premiums are highest for this kind of cash value insurance.

Combination policies

[Provide participants with handout (p. 285) comparing the types of policies. Discuss this information.]

In addition to the basic kinds of life insurance, there are many combinations of them. These combination policies usually combine a permanent, cash-value policy with a term policy. Examples of combination policies include:

The Family Income Policy--combines straight life with term insurance. The term insurance part pays the beneficiary a certain amount each month until the end of the specified time if the insured person dies before the term expires. If the policy holder dies during the term stated, the family receives a regular monthly income from the time of the policyholder's death until the end of the term. The straight life part of the policy pays the face value to beneficiaries on the death of the insured person. Even if the insured person lives beyond the end of the term, the family is still protected by the straight life portion of the policy.

Family Policy--combines straight life with term insurance. It insures the life of every member of the family. The straight life portion is on the main breadwinner. The term portion is on the spouse and children. It can be converted to other insurance when the children are older, regardless of their health or occupation at that time.

Mortgage Insurance--provides term life insurance to protect the lender and the borrower's family. Should the insured person die before the mortgage is paid off, the insurance will pay part or all of the debt.

Credit Life Insurance--usually of the term type. The length of the term is the length of the loan being insured. It will pay off the insured person's debts in case of death before they are repaid.

Buying life insurance

What are some ways you can buy life insurance?

Group life insurance--usually term insurance which covers members of a group, such as employees of a certain business. No medical examination is required. Usually, the cost is low, and everyone pays the same premium. Protection may end when the employee leaves the job. Some group life insurance policies can be changed to a permanent type of life insurance within a certain period after an employee leaves the job. This type of insurance is usually less expensive than that purchased through a company.

Insurance from life insurance companies--sold by company agents. Medical examination is usually required. Payment periods may vary from monthly to yearly.

Industrial insurance--may be straight life, limited payment, or endowment policies. Policies are usually small, from $500 to $1000. Premiums are collected weekly or monthly at home or at work by an agent. It is very costly becuase of extra expense of collection and paperwork.

Fraternal organizations--ordinary life insurance may be offered to members.

APPLICATION: Conclude the meeting with a question and answer session, possibly with an insurance agent present to answer questions. They might also help present materials given above. Also ask them to discuss the information companies frequently ask for before issuing a policy.

Let participants volunteer to be in a role play situation. Four will be insurance agents and four clients. Let each agent represent one of the major types of insurance. They should tell their client about the type of insurance while the clients ask questions.

KEY IDEAS: Life insurance protects against economic loss caused by death or retirement.

Life insurance is a supplement to other resources.

Families should keep an inventory of life insurance policies, and other valuable documents.

Life insurance policies should be kept in a safe place.

Families should review their life insurance program and policies regularly and make adjustments in keeping with changed circumstances and needs.

Life insurance policies vary in protection and savings provided for the money spent.

TYPES OF LIFE INSURANCE
(Flannel Board)

BASIC

Term

1) Renewable Term Life
2) Convertible Term Life
3) Increasing Term Life
4) Decreasing Term Life
5) Level Term Life

Permanent

1) Straight Life

2) Limited Payment Life

3) Endowment Life

COMBINATION

1) Family Income Policy
2) Family Policy
3) Mortgage Insurance
4) Credit Life Insurance

MAIN TYPES OF INSURANCE POLICIES
(Handout)

CHARACTERISTICS	TERM	ORDINARY LIFE	LIMITED-PAYMENT LIFE	ENDOWMENT
Period of premium payment	Given period of time such as 5, 10, or 20 years.	During the entire life of the insured person.	Stated period of 10, 15, 20, or 30 years, or to age 60 or 65.	Stated period of 10, 15, 20, or 30 years, or to age 60 or 65.
When policy matures	Payment made to beneficiary if insured person dies within the term period. After term expires, coverage ends.	At death of insured person.	At death of insured person.	At death of insured person, or at the end of the period if the insured person is still living.
Advantages	1) Maximum protection at minimum cost for stated period of time. 2) Usually may be converted to life or endowment policy without medical examination.	1) Provides lifetime protection at a constant premium rate. 2) Investment--cash value may be used as income. 3) Insured person may borrow money on the policy.	1) Premiums paid for limited time. 2) Lifetime protection provided. 3) Larger cash and loan values than ordinary life.	1) Pays a definite sum of money at the end of the period. 2) Gives insurance coverage while premiums are being paid.
Suitable for	Persons with limited incomes who need large amount of protection, especially temporary protection.	Persons who have small incomes but need to protect family for a long period of time. Persons who want a policy with a cash and loan value.	Persons whose income is likely to decrease at a certain period and who can afford to save more than the cost of the ordinary life insurance policy	Persons who want to save for chidren's educations for future years and still have insurance in the meantime.

UNIT VII: INSURING
VII-3: Health Insurance

OBJECTIVES:

- Define health insurance
- Identify the value of health insurance
- Describe how the cost of health insurance is determined
- Explain the basic types of health insurance
- Present questions to consider in determining health insurance needs
- Point out major features to look for before signing a health insurance policy

VOCABULARY:

- health insurance
- hospital expense insurance
- surgical expense insurance
- regular medical expense insurance
- major medical expense insurance
- disability income insurance
- deductible clause
- coinsurance feature
- supplemental health insurance
- coordination of benefits clause
- non-cancellable guaranteed renewable
- guaranteed renewable
- optional renewal

Health care is important for most Americans, and many families feel they need protection against rising medical costs. Today, health insurance provides coverage for hospital and medical care, and loss of income due to an illness or injury. Over 80 percent of the people in the United States are protected by some type of health insurance plan. Private insurance plans are the main source to get health insurance, but state and federal plans are becoming more important.

What is health insurance? (It is protection against hospital and medical expense or against loss of income resulting from sickness or accident.)

Determining health insurance needs

Each individual and family have different needs for health care protection. A plan for handling health costs is important for everyone. [Use visual, (p. 292) to illustrate the following points.] To set up a health care protection plan that meets your personal and family needs, consider:

1) The size of your family and the age and sex of family members.
2) Your income and expenses.
3) The cost of medical services in your area.
4) Community and tax-supported health services available to you.
5) Individual health problems in your family.

Your plan should include health insurance to protect against major expenses and prolonged illness and a savings fund to cover uninsured expenses.

There are certain factors that determine the cost of health insurance. [Use visual (p. 293) to illustrate.]

1) Age of each insured person.
2) Type of coverage.
3) Extent of coverage.
4) Number of people covered by the policy.
5) Waiting period, if any.
6) Deductible clause, if any.
7) Coinsurance clause, if any.

When deciding what health insurance protection you need, consider these questions: [Prepare handouts of this information for participants to use in discussion. Ask an insurance agent to discuss these points with the group and answer any questions they might have.]

1) What losses are covered by Worker's Compensation, employer-provided benefits, union or fraternal organization benefits, life insurance disability waiver of premium, life insurance disability income, Social Security disability, and other benefits?
2) What are the important losses to insure against?
3) What types and amounts of coverage do you want?
4) What members of the family are covered?
5) What are the maximum benefits in terms of amount and length of time?
6) How do these benefits compare with health care costs in your community?
7) What waiting periods, exclusions, and limitations are in the policy?
8) What deductibles and percentage of coinsurance are involved?
9) Who has the right of renewal of the health insurance--the policy holder or the insurance company?

Buying supplemental health insurance

Millions of Americans, who are 65 and older, have Medicare coverage. Sixty-three per cent of the senior citizens carry private health insurance policies, because Medicare does not cover the total medical cost. When you buy supplemental health insurance, or a policy that will pay part or all of the remaining costs, there are certain points to remember. They are:

1) Not everyone needs a separate insurance policy to supplement Medicare. If you qualify for Medicaid, most of the health costs are covered. If you have or had a health insurance as part of a group while you were working, some policies coverage may continue or be converted when you reach 65.
2) Choose a policy that pays costs for everyday you are hospitalized. Some policies pay cash, $30 or $50, a day, but this is not going to do much good if your bill is $300 a day.
3) Having a number of policies does not mean you will get more money. Policies usually have clauses called coordination of benefits. This coordination of benefits clauses means the policy only pays after Blue Cross, or other health plans, has paid basic costs. Usually, if you have one Medicare supplement that is enough.

Types of health insurance

Five basic forms of health insurance are available: hospital expense insurance, surgical expense insurance, regular medical expense insurance, major medical expense insurance, and disability income insurance.

[Use flannel board to show types of insurance as each is discussed. Allow time for questions and discussion following each type of health insurance presented.]

Hospital expense insurance--pays for all or part of the insured person's hospital bills. Policy may limit the amount paid per day for room, board, and routine nursing charges and the number of days payment will be made. Also covers charges for laboratory, medicines, operating room, X-ray, anesthesia, physical therapy, and other services relating to treatment of the patient in the hospital. This is the most widely used kind of health insurance.

Surgical expense insurance--pays surgical fees to maximum amounts listed in the policy for various operations. Fees for office calls before and after the operation may be included. Benefits vary with the policy. This is the second most widely used kind of health insurance.

Physician's expense or general medical expense insurance--covers non-surgical treatment by physician. Helps pay the cost of doctor's visits to the home or hospital room or of a patient's visits to the doctor's office. Maximums may be set in the policy for the amount payable per visit and number of calls allowed for each sickness or illness. Available only with other basic coverages, not as a separate policy.

Major medical expense insurance--provides protection against the costs of serious or prolonged accident or illness. Usually, the insured person must pay a certain amount before the insurance company pays anything. This is called a deductible feature. It is similar to the deductible clause in auto insurance. The company also pays only a percentage of the total amount, frequently 80 per cent. The insured person pays the other 20 per cent. This is called coinsurance feature. The maximum amount of benefit stated for each policy may range from $5,000 to $20,000

Loss of income insurance or disability insurance--pays cash benefits if the insured person becomes unable to work because of illness or injury. The amount of income and the number of payments are given in the policy. A waiting period of one week or more is usually required before benefits begin.

Buying health insurance

You can buy health insurance from insurance companies, hospital and medical service plans, independent group plans, and government programs.

4) Stay with a reputable insurance company. In many states, the Medicare supplements sold by a well known medical insurance company may have the best costs. Some large private insurance companies might have better coverage for more money. It is a good idea to shop around to find the coverage to meet your needs.
5) Make sure a policy covers conditions you have. Many policies will not give benefits for conditions you had before the policy took effect. Do not take an agent's word for it, check the limitations and exclusions of a policy before you sign.
6) You usually have 10 days after you receive the policy contract itself to cancel your policy and get a full refund if you are not satisfied.
7) When applying for health insurance do not omit any information about your medical history. This could be very costly for you. If the insurance company finds out about the condition later on, they do have the right to not pay your claim and even cancel your policy.
8) Many states require that policy language be understandable before it can be sold. Some states even require that policies be printed in large print. Question any policy that is too hard to read or a policy that is too simply stated.
9) Keep the advertising materials, that come by mail or newspapers, about the policy. This way, if the policy does not have the coverage as stated in the advertising, you have a good case of misrepresentation.

Major features to look for

Keep in mind that when you sign a health insurance policy, you are entering into a contract with the insurance company. The best way to make sure you are buying the policy which meets your needs is to read the terms carefully. Some of the major features and key points to remember are:

1) Know who the policy covers and for how long. (Spouse, dependent children, the age the child must be after birth to become eligible, etc.)
2) Know the limitations and exclusions of the policy. (Will not cover conditions you had before the policy, cosmetic surgery, self-inflicted injuries, injuries which happened during active military service, dental work, hearing aids, eye glasses, etc.)
3) Know the benefits you will receive from the policy. (Costs paid for hospital stay, surgical expenses, medicines, therapy, costs covered for each doctor's visit during hospital stay, etc.)
4) Know the renewability of your policy. Where renewability is concerned, there are three types of policies. (Non-cancellable guaranteed renewable--as long as you pay your premiums it cannot be cancelled or altered in any way; Guaranteed renewable--cannot be cancelled as long as premiums are paid, but the company can raise the rates as they see necessary. This is the only provision that can be altered; Optional renewal--policies can be altered or cancelled when the policy comes up for renewal.)
5) Know the exact meaning of "Total Disability." Read a loss of income policy carefully for the exact definition. (How bad must you be hurt, how long will it pay, etc.)

6) Know if the policy includes any special types of coverage. (Regular dental care, vision care, coverage for children during school, travel insurance, special hazards, etc.)
7) Know how reliable your agent is and the company they represent.
8) Know that you should beware of high pressure tactics by an agent or glowing promises in an advertisement.

APPLICATION: Call your local hospital to learn costs involved in an appendectomy, childbirth, and severe cuts from an accident. Ask about charges for doctor, surgeon, room, X-ray, medication, etc. Obtain various health insurance policies for participants to examine. Have participants check to see what portion of the costs of various health problems would be covered by each policy. How long would your family have to save to cover this cost? [The handout, "Questions To Ask About Health Insurance Coverage," (pp. 294-295) will help participants analyze the policies.]

KEY IDEAS: Health insurance protects against economics loss caused by illness or accident.

Measuring family needs for health insurance begins with an inventory of present protection.

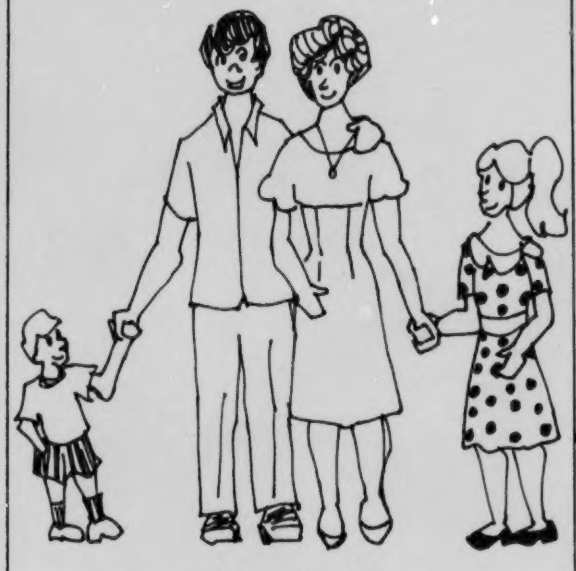
The cost of health insurance can be determined only on an individual basis.

An insurance agent can help a family determine its health insurance needs.

Many senior citizens on Medicare buy supplemental health insurance policies.

The best way to make sure the health insurance policy meets your needs is to read and understand all the terms.

DETERMINE HEALTH INSURANCE NEEDS



SIZE, AGE, AND SEX OF FAMILY MEMBERS

INCOME AND EXPENSES

CLINIC
Rx
Rx

INDIVIDUAL HEALTH PROBLEMS IN YOUR FAMILY

COSTS OF MEDICAL SERVICES, COMMUNITY AND TAX-SUPPORTED HEALTH SERVICES AVAILABLE TO YOU

FACTORS WHICH DETERMINE THE COST OF HEALTH INSURANCE

(1) Age

___ 20-29
X 30-39
___ 40-49
___ 50-59
___ 60-69

(2) Type of Coverage

X Hospital expense
X Surgical expense
___ Physician's expense
___ Major medical
___ Loss of income

(3) Extent of Coverage

Includes the following coverage:
Room and board

(4) Number of Persons Covered

X Father
X Mother
X John
X Mary
X Susan

(5) Waiting Period

In effect after a waiting period of 30 days.

(6) Deductible Clause

$50 deductible

(7) Coinsurance Clause

Will pay 80 per cent of total costs

QUESTIONS TO ASK ABOUT HEALTH INSURANCE COVERAGE
(Handout)

A. YOUR HOSPITAL INSURANCE CHECK-UP:

1. How many days in the hospital does your policy cover?
2. How much does the policy pay per day for room and board?
3. How do these daily benefits compare with hospital room and board charges in your local hospital?
4. How much does the policy pay for related expenses in the hospital such as laboratory tests and X-rays, anesthesia and its administration, etc.?
5. Are there waiting periods before certain conditions are covered?
6. Is there a deductible which you must pay toward hosipital expenses before benefits start?
7. What provisions exist for renewing the policy?
8. What exclusions or limitations are contained in the policy.

B. YOUR SURGICAL INSURANCE CHECK-UP:

1. Are the benefits in line with surgeons' fees in your community?
2. What types of surgical services does the policy help pay for?
3. What benefit limitations exist?

C. YOUR PHYSICIAN'S INSURANCE CHECK-UP:

1. How much does the policy pay for each time your doctor visits you in the hospital?
2. How many such visits are allowed per confinement?
3. Are you covered for house calls and office visits? If so, what is the allowance per visit?
4. Is there a deductible, either a dollar amount or visits not covered, before benefits start?

D. YOUR MAJOR MEDICAL INSURANCE CHECK-UP:

1. What is the maximum amount your policy will pay?
2. Will the maximum benefit be in effect again for you upon recovery?
3. How large a deductible must you pay?
4. Is there a deductible for each claim for a different illness or injury? Or is it on a calendar year basis with one deductible in a given year charged against the total bills?
5. What percent of the total cost above the deductible does the policy pay--75%? 80%? What percent do you pay?
6. What provisions exist for renewing your policy?
7. What top benefit limits, if any, exist for such expenses as hospital room and board, surgery, or other specialists' consultation and treatment?

E. YOUR DISABILITY INSURANCE CHECK-UP:

1. Is there a waiting period before benefits begin?
2. Does the waiting period vary depending on whether the disability was caused by sickness or accident?
3. How does the policy define total disability?
4. Will it pay benefits for partial disability?
5. Is it a requirement of the policy that you be confined at home to be eligible?
6. How long do the regular payments continue for accident? For sickness?
7. What exclusions or limitations exist in your policy?

UNIT VII: INSURING
VII-4. Social Insurance

OBJECTIVES:

- Define purposes for social security
- Identify types of social insurance
- Explain benefits provided by social security
- Describe provisions of Medicare and Medicaid
- Determine when Social Security Office should be contacted

VOCABULARY:

social insurance
exempt
Social Security
survivors benefits
compulsory insurance
disability benefits
retirement benefits
quarters
medicare
medicaid
trustee
health benefits
F.I.C.A.
Federal Insurance Contribution Act
permanently reduced rate
supplemental security income
old age and survivors insurance
currently insured
fully insured

Almost all Americans, women, men, and children, have social insurance protection, either as workers or as dependents. Social insurance, retirement, survivors, disability, and health insurance is a social insurance plan which workers and employers in covered occupations must contribute. However, there are some workers who are exempt, or do not have to pay for social insurance. A minister is an example of someone who might be exempt from paying. Social insurance is commonly known as Social Security. Social Security is a compulsory insurance or insurance that workers must have. This program is run by the United States Government.

The reason for social insurance is to have income insurance programs for consumers. As wage-earning taxpayers, you pay a certain amount of money into a fund. The federal and state governments act as trustees for these funds. A trustee is someone who takes care of property or money for you. The government pays benefits to those people who quality. If a person does not pay money into the fund, they cannot collect benefits from the program.

Workers covered under Social Security

The jobs covered under Social Security include almost all types, those in which people are self-employed, as well as those on active duty in military service.

Nine out of ten workers are covered by Social Security, whether they have jobs or are in business for themselves. Some government workers are not covered. Some employees of nonprofit organizations and some farm and household workers are not covered. But the law requires most workers in all fields to pay Social Security and their employers must pay an equal amount.

Benefits Social Security provides

Social Security has many benefits. [Use visuals (pp. 303-304).] The benefits are:

1) Retirement benefits. Retired workers may receive a monthly income beginning at age 62. To receive full benefits you cannot retire until you are 65. If you decide to retire at 62, you will take a permanently reduced rate. Permanently reduced rate means they will not give you as much money per month as they would have if you waited until age 65 to retire.
2) Survivor's benefits. When a person covered by Social Security dies before reaching retirement age, the survivors (spouse and children under eighteen) will receive a monthly income from Social Security. Benefits are also available for full-time students until they are 21, a widow 60 or older, mentally or physically disabled children over eighteen, and divorced people under certain circumstances.
3) Disability benefits. Social Security provides a monthly income for people who are so disabled that they cannot work and whose prospects for returning to work in the near future are not promising. Disability payments start with the sixth full month of disability. A five month waiting period for benefits is necessary, but you will get the benefits as long as you are disabled after the waiting period. When you've been eligible for disability payments for 2 consecutive years, you also will have Medicare protection with no age limit required.
4) Health benefits (Medicare and Medicaid). Social Security provides hospital and medical benefits for persons age 65 and older. While you work, you are earning credits for protection for yourself and your dependents. If you need dialysis treatment or a kidney transplant for permanent kidney failure, Medicare helps pay the costs.

Other Social Security programs

There are programs to help people in certain needy groups. Certain laws set up payment for the following:

1) needy and dependent children.
2) needy aged.
3) needy blind.
4) maternal welfare of infants and mothers.
5) crippled children.
6) child welfare.
7) vocational rehabilitation.
8) public health.

Two laws which help support these programs are:

1) Supplemental Security Income--1974. A program that gives more security income to aged, blind, and disabled people with low or limited incomes. Funded by federal and state monies.

2) OASI--Old Age and Survivors' Insurance part of Social Security program that provides at least minimum income when a person retires or a family is without a breadwinner.

How to receive Social Security protection

The first step in applying for Social Security is getting a Social Security card. It is a good idea to have a card before you get a job. When applying for your Social Security card you will have to fill out a Form SS-5 application. [Obtain a copy of Form SS-5 from the Social Security Administration office to use as a visual.] You can get these forms at the Social Security Administration office or from your employer.

The card is sent to you in about four weeks after you apply for it. It will have a long number on it. This number is how the Social Security office identifies you. The number is also kept on file to keep a record of your deposits in the fund. You will keep the same number the rest of your life no matter how many jobs you have. This number will also be used for income tax purposes. If you lose your card apply for a copy of the original one. Do not apply for a new number.

How Social Security is paid

Social Security is paid by employers and employees contributing equal amounts based on the employees' earnings. [Show how Social Security contributions are deducted from one's paycheck.]

When money is taken out of your check to be put in the fund, it is listed on the check stub you receive from your employer. The deduction will be listed under the heading F.I.C.A. or the Federal Insurance Contribution Act. This is another way of saying Social Security.

Earning credits

To be eligible for any social security benefits you must have credit for a certain amount of time worked under the Social Security program. [Obtain copies of "Social Security Credits Needed to be Fully Insured," and "Contribution Rates for Employees and Employer," from the Social Security Office, to use as visuals.] The calender year is divided into four quarters. A quarter is a period of three months; there are four quarters in a year. The first quarter is from January through March, the second quarter is from April through June, the third quarter is from July through September, and the fourth quarter is from October through December. [Obtain "Number of Credits Needed to Become Fully Insured" from Social Security Office to use as a visual.]

The Social Security Administration classifies workers as currently insured or fully insured. You are currently insured if you have earned credit for at least 1 1/2 years of work within three years before your death. This means survivors' benefits are payable to the beneficiaries of any covered worker. If you are fully insured when you reach retirement age, you and certain members of your family can get monthly payments. If you are fully insured at death your family can receive benefits. To qualify for retirement and health benefits, you must have been covered a certain number of quarters. You must be covered six (one and one-half years) to forty quarters (ten years) depending on your age to qualify for retirement benefits when you are sixty or sixty-two years old.

Claiming Benefits

When you need to use your Social Security insurance, there are certain steps you should follow. By remembering and following these steps you will probably get your benefits on time. The steps are:

1) File an application to claim the benefit. Social Security will pay only if an application is filed with their local office. It would be wise to have someone in the Social Security office help you fill out the forms.
2) Furnish the necessary documents. There are certain papers you need to bring with you when you file a claim for benefits. For each person claiming benefits you need a birth or baptismal certificate. When you apply for spouse benefits you will need your marriage certificate. Death certificates will be needed also. You will also be asked for the last year's W-2 Form or tax statement.
3) Always use the worker's Social Security number.

If you do not have all the necessary documents, the people at the Social Security office will help you get them. Remember, the benefits you get will depend on the person's average earnings. The more you work, and the higher your salary, the more benefits you will receive. [Obtain a copy of "Average Yearly Earnings" chart from Social Security office.]

Medicare

[NOTE TO TEACHER: The following concepts have dollar amounts quoted. It would be wise for you to check with your local Social Security office to be sure the amounts are current. The dollar amounts are subject to change frequently, and you could prevent giving the wrong information to your group members.]

Medicare is health insurance for people 65 or older. Two kinds of health insurance are provided: Hospital Insurance--A basic hospital plan, which helps to pay bills for hospital and nursing care for persons 65 and over. For those who are eligible, this insurance is automatic and is financed by Social Security taxes. Supplementary Medical Insurance--A voluntary supplementary (doctor's) plan, which helps to pay doctor bills and other medical expenses not covered by the plan. To receive this insurance, you must pay a small monthly fee which is matched by the Federal government. Persons over 65 must continue to pay the premiums to remain eligible for benefits.

What does the hospital insurance pay? It pays hospitalization. In the hospital, the insurance will pay most costs of each "spell of illness" of the patient, for up to 90 days. The patient pays the first $124.00 of hospital costs and Medicare pays the rest up to 90 days. From 61 days to 90 days Medicare pays all but $31.00 per day, for each "spell of illness." If the patient must be hospitalized longer than 90 days they may draw on a lifetime reserve of 60 days, during which Medicare pays all but $62.00 per day of covered hospital expense.

Other kinds of health care provide partial payment of expenses.

1) Extended care in a hospital or other approved "extended care facility" from the 21st through the 100th day. The patient pays $5.50 per day for each day after 20 days.

2) Home health care by nurses or therapists (but not doctors) in the patient's home for up to 100 visits within one year, after 3 or more days of hospitalization. The plan pays all costs which qualify.

Supplementary medical insurance pays 80% of the reasonable charges which are covered after the first $60.00 during each calendar year. The individual is responsible for 20% of any additional charges of the first $60.00 or reasonable charges. Services covered are:

Doctor bills--at home or in the doctor's office, a clinic, or a hospital.
Home health care--up to 100 visits at home, without having been hospitalized beforehand. This is in addition to the 100 visits allowed in the basic hospital insurance.
Other services--diagnostic tests, drugs which cannot be self-administered, dental surgery; rental of medical equipment, and certain ambulance services when medically necessary.

Medicaid

Medicaid is a federal health insurance plan for certain kinds of needy and low-income people. These people are usually covered: the aged 65 and older, the blind, the disabled, or members of families with dependent children. Medicaid is an assistance program. The payments are called Supplementary Security Income. Medicaid is the health insurance part of SSI. Money from federal, state, and local taxes pays medical bills for eligible people.

Each state designs their own Medicaid programs within federal guidelines. So, Medicaid will vary from state to state.

Medicaid pays for, at least, these services:

1) inpatient hospital care.
2) outpatient hospital services.
3) other laboratory and X-ray services.
4) skilled nursing facility services.
5) doctor's services.
6) screening, diagnosis, and treatment of children under 21.
7) home health care services.
8) family planning services.

In many states, Medicaid pays for such additional services as dental care, prescribed drugs, eyeglasses, clinic services, intermediate care facility services, and other diagnostic, screening, preventive, and rehabilitative services. [Obtain local Medicaid details from your Welfare Office.]

Medicaid can pay what Medicare does not pay for people who are eligible for both programs. Medicaid can pay the $124.00 Medicare does not pay in each benefit period for eligible people. It can also pay the first $60.00 per year of medical care costs and can pay what Medicare does not pay of the remaining reasonable charges for eligible people.

Texas is one of the 21 states whose Medicaid programs cover only people who are eligible for aid to families with dependent children and SSI programs. This means, if you do not meet the requirements described by the SSI program, even if you do have a low income, Medicaid will not cover your medical expenses.

Social Security Records

To make sure your Social Security records are correct, get a "Wage Statement Request" from your local Social Security office to mail to the Social Security Administration. Check the report with the W-2 forms you have received from your employer.

You should contact your Social Security office: [Prepare a handout of this information.]

To obtain a Social Security card.
To replace a lost card.
To effect a change of name.
To claim benefits.
If there is a change in Social Security laws.
If you become disabled before age 65.
If a working person in your household dies.
At retirement age (old age benefits are payable as early as age 62) to find out what benefits you will get when you retire.
When you reach age 72, even if you have not retired.

Remember that benefits under Social Security are not paid automatically--you must make a claim. Employees at your nearest Social Security office can explain the benefits due you and the requirements you must fulfill in order to become eligible for payments.

APPLICATION: Plan a visit to your nearest social security office to obtain and study literature available for participants from that office.

KEY IDEAS: Social Security, a government-sponsored insurance program, adds to the financial security of most American families.

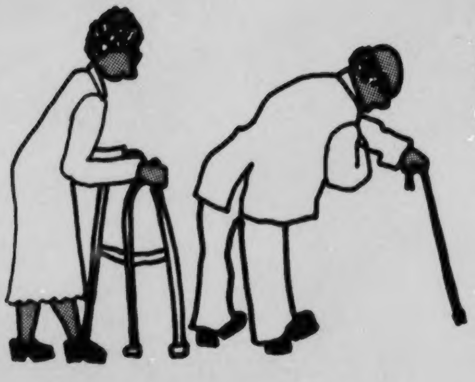
Social Security provides benefits for survivors, disability, and retirement.

Medicare is a government-sponsored health insurance plan for persons over 65.

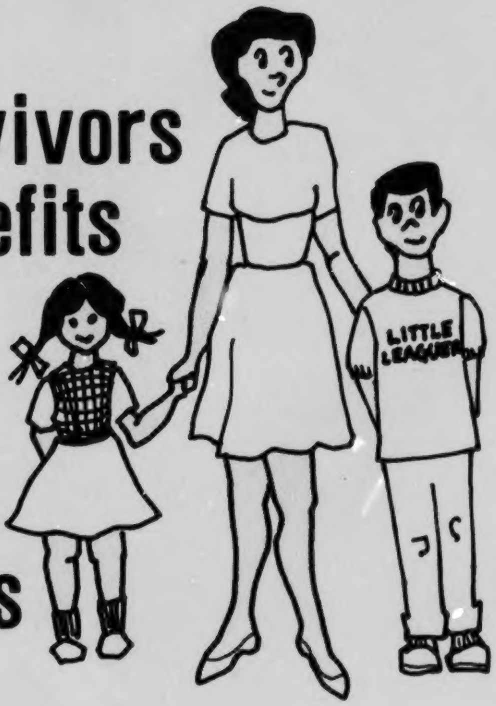
Medicaid is a government-sponsored health program which provides medical benefits for needy persons.

Social Security pays survivors' benefits to the spouse, children under 18, full-time students under 21; disability benefits to disabled workers; and retirement and medical benefits to retired workers.

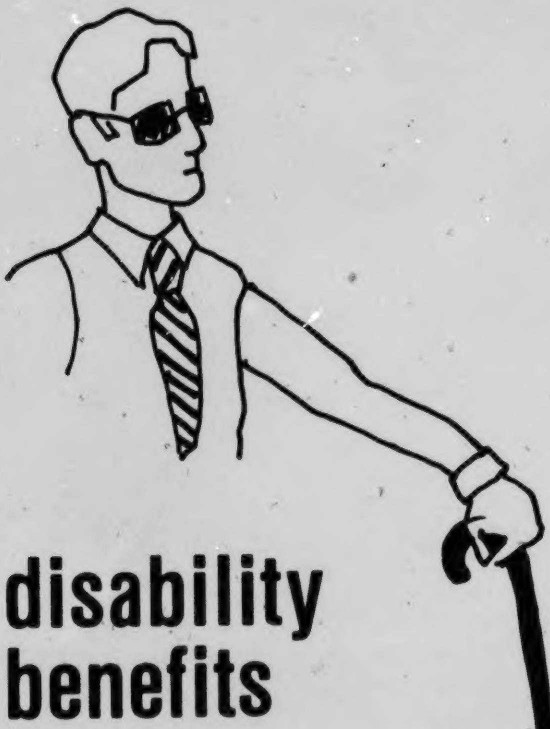
SOCIAL SECURITY BENEFITS



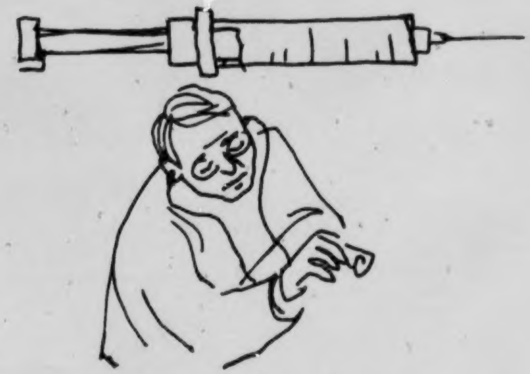
retirement benefits


LITTLE LEAGUER
J S

survivors benefits



disability benefits



health benefits

BENEFITS OF SOCIAL SECURITY

Benefits for Men

Type of Benefits	When payable (age)
Retirement	65 or over
Reduced retirement	62 or over
Disability	any age up to age 65
Medicare	65 or over
Dependent husband	62 or over
Dependent widower	62 or over
Disabled dependent widower	50-61
Dependent parent	62 or over

Benefits for Women

Type of Benefits	When payable (age)
Retirement	65 or over
Reduced retirement	62 or over
Disability	any age up to age 65
Medicare	65 or over
Wife	65 or over--any age, if child in her care
Divorced wife	65 or over
Reduced wife (or divorced wife)	62 or over
Widow	62 or over
Reduced widow	60 or over
Disabled widow	50 or over
Mother	any age--if child in her care

Benefits for Children

Type of Benefit	When payable (age)
Child	up to 18
Child	18-22--if attending school
Disabled child	18 or over--if disability began before age 18

UNIT VII: INSURING
VII-5: Automobile Insurance

OBJECTIVES:

- Define automobile insurance
- Identify the need for automobile insurance
- Describe the basic automobile coverages available
- Explain specialized automobile coverage available
- Give examples of factors which affect auto insurance costs
- Determine what to do if one's auto insurance is cancelled

VOCABULARY:

- automobile insurance
- financial responsibility laws
- bodily injury liability insurance
- property damage liability insurance
- medical payments insurance
- uninsured motorist
- comprehensive physical damage insurance
- collision insurance
- no-fault insurance
- threshold for suit
- state automobile insurance
- group car insurance
- motorcycle insurance

Being a licensed driver means having a great responsibility. This responsibility is to yourself, your passengers, and other people driving on the streets. The car is one of the biggest sources of economic risk. The car also causes its share of economic loss. Besides people dying from car accidents, there are also losses from theft.

The need for automobile insurance

Knowing these risks, no car owner or driver should be without the protection of automobile insurance. Automobile insurance provides financial protection in case of automobile accident. Every state in the United States now has financial responsibilities laws. Financial responsibilities laws are laws to keep drivers off the streets who cannot pay for the property damage or injuries they cause. Many states make people have automobile insurance before they can get their driver's license.

You need automobile insurance for the following reasons:

1) You are liable for personal injuries or property damage each time you drive your car.
2) You are responsible for repair costs for your car or someone else's car.
3) You need protection against loss from medical expenses caused by car accidents for yourself, your family, and other people riding in your car.
4) You need protection from lawsuits for settlement of damages.
5) You need protection for accidents involving other people who do not have automobile insurance.

What would happen if the accident was your fault and you had no insurance to cover these costs?

You might become liable for a large amount of money, which might impose great hardship on you or your family for years to come.

Basic types of automobile insurance

There are six types of automobile insurance. [Use flannel board (p. 311) to illustrate.] The types of automobile insurance are:

Bodily Injury Liability Insurance--Protects the car owner, members of the family who may drive, or other persons who have permission to use the car against claims resulting from injuries, sickness, or death of a pedestrian or the driver or passengers of another car, resulting from an accident caused by that car. Bodily injury liability insurance is often referred to as 10/20, 15/30, 50/100, or 100/300. This means that the insurance company in the first example will pay up to $10,000 for injuries received by any one person in an accident or up to $20,000 for all persons injured in the accident. The first number (10, 15, 50, or 100) is the highest amount, in thousands of dollars, the insurance company will pay for injuries of any one person for any one accident. The second number (20, 30, 100, or 300) is the highest amount the insurance will pay for all injured persons in any one accident. With rising medical cost 10/20 should be considered a bare minimum of coverage. Higher coverage costs little extra, and may save your family a great deal of money should medical costs for those injured exceed the maximum coverage of the policy. [Show price comparisons from your local area for higher coverages.]

Property Damage Liability Insurance--This coverage applies when your car damages the property of others. The damage may be to another car, a lamp post, telephone pole, or building. It does not cover damage to your car. Coverage may be purchased in amounts ranging from $5,000 to $100,000. Bodily injury and property damage liability insurance are usually sold together. Coverage is often written as 10/20/5. The first two numbers refer to bodily injury, the last to property damage, in thousands of dollars.

Medical Payments Insurance--This coverage applies to medical expense resulting from injuries suffered by you and all members of your immediate family while riding in your car or someone else's car, or when struck by a car while walking. It also applies to guests in your car. The maximum amount the insurance company will pay to any one person injured in any one accident is limited to the amount stated in the policy, usually $500 to $5,000. Again, higher coverage usually costs little extra.

Protection Against Uninsured Motorists. This coverage pays damages up to the limits specified in your policy for injuries caused by an uninsured motorist. Protection applies to the policyholder and all members of the family, whether occupying the family car, someone else's car, or walking. It also applies to guests occupying the policyholder's car. This coverage is usually only provided for those people who carry bodily injury liability. The amount of coverage is restricted by the amount required by the financial responsibility laws of each state. The cost of the coverage is usually very low because it is usually included with the bodily injury liability cost.

Comprehensive Physical Damage Insurance. Protects against physical damage to your car by fire, theft, glass breakage, flood, falling objects, missiles, explosion, earthquake, windstorm, hail, water, vandalism, malicious mischief, riot or civil commotion, or collision with a bird or animal. Cost varies according to where you live. This insurance covers your car only.

Collision insurance. This coverage will pay for damage done to your car as a result of colliding with another vehicle, or object, or as a result of turning over, regardless of who was responsible. Collision insurance is usually written on a $50, $100, or $250 deductible basis. This means you pay the first $50, $100, or $250 of damage and the insurance company pays the rest. The year, make, and model of your car determine the cost of this insurance. Collision insurance usually is not carried on a car that is no longer listed in the "blue book" of car values because the cost of repairs will probably exceed the value of the car. Collision insurance is usually required by the lender if the car is bought on credit. The higher the deductible the lower the cost of the insurance will be.

[Use the chart (p. 312) to summarize the coverage provided by the basic types of automobile insurance.]

Types of specialized automobile insurance

Besides the basic types of insurance for cars there are specialized automobile insurance plans. Some of these plans you may choose to buy and some you may have to buy. [Contact a local insurance agent and obtain information on each of these policies. You might have them come as a guest speaker.] Some of these specialized automobile insurance policies are:

No-Fault automobile insurance. No-fault insurance has been adopted in many states. No-fault insurance means if you are in an accident you and the other person involved in the accident each collect from your own insurance company. It does not matter who was at fault and caused the accident. No effort is made to collect from the person who is at fault. Each individual's insurance company, no matter who caused the accident would pay up to the limits of the policy. However, you do still have the right to sue the other person if there is death, serious injury, or high property loss.

No-fault laws are different in each state. There may be differences in:

1) amount paid to the person insured for medical expenses, or in case of death to pay for the funeral.
2) amount of lost income that is paid if the injured person is the wage earner.
3) amount paid to hire someone to do essential household work that the injured non-wage earner is unable to do.
4) conditions that give the injured person the right to sue. These conditions are usually: permanent injury or disfigurement, threshold for suit (or the point when medical expenses reach a certain amount) and death.
5) if property damage is covered or not.

Having no-fault insurance may save time and money that it usually takes to decide who is at fault in the accident.

State automobile insurance plans. Because some people have very bad driving records many insurance companies do not want to risk insuring them. For these people every state has a state automobile insurance plan. These state plans were formerly called assigned risk plans. State automobile insurance plans give minimum coverage for bodily injury and property damage liability to people who cannot buy insurance at regular rates.

Other people who might be covered under these plans are:

1) drivers without experience.
2) drivers who have had policies cancelled.
3) drivers who are considered to have a high-risk job.
4) drivers who are young or live in a high-risk place, if there are several risk factors.

If one company does not want to insure you, go to a few others. You might be able to buy coverage if you shop around.

If you cannot find a company that will insure you, the state will assign you to an insurance company. Each company in the state will be assigned a certain number of high risk drivers.

It is a good idea to have a good driving record. These state plans usually are 25% to 50% higher than standard rates.

Group car insurance. Group car insurance is a plan that has recently become available through some employers. The group car insurance is when employees can join in a group plan at lower rates. Many times the rates will be as much as 15% below individual rates.

Each person chooses the coverage they need and pays rates for that coverage. Rates will not be the same for all employees. The employer does have the right to refuse or cancel any person's coverage in the group.

Motorcycle insurance. Motorcycle insurance provides coverage similar to automobile insurance. Owners of motorcycles, motorbikes, and snowmobiles need to have this special coverage.

Motorcycle insurance provides coverages for bodily injury, liability, property damage, collision, and comprehensive physical damage. Many policies only insure the owner and other drivers named on the policy.

If you own a motorcycle it is very important to have motorcycle insurance. Many states apply their financial responsibility laws to motorcycles as well as cars. If you do not have insurance, you have to put up a cash deposit or bond to cover the minimum amount stated by the state's financial responsibility laws. If you do not do this, you could lose your drivers license and your motorcycle.

The cost of motorcycle insurance depends on the value of the bike and the engine size in cubic centimetres (cc's). Many times, the larger the motorcycle, the higher the cost.

Costs of automobile insurance

How much does automobile insurance cost? [Prepare a handout of the following information to use for discussion.] The cost depends on several things:

1) The amount and type of coverage you choose. (Liability insurance in amounts of 10/20/5 costs less than higher amounts. Collision insurance with $250 deductible is less expensive than insurance with $50 deductible.)
2) The area in which you live. (Insurance costs more in cities where traffic is heavy than in areas where traffic is light.)
3) The year, make, and model of your car. (A new car is higher to insure because the car is worth more than an older one. Compacts cost less to insure because they usually do less damage in an accident to other property.)
4) The age, sex, and marital status of drivers of your car. (The highest rates are paid by unmarried males under 25 years of age who own or are the principal operators of a car. The reason is they tend to have more frequent and more costly accidents. Discounts are sometimes given to young drivers who have good driving records, complete an approved driver education course, complete a defensive driving course, are honor students, or are resident students at a school more than 100 road miles from their home.)
5) The accident record and insurance statistics for the state and community in which you live. (You can help keep insurance rates down by being a safe driver.)
6) The insurance company from whom you buy. (Some companies are more selective in assuming risks; they lose less money in claims, so their rates are cheaper. An independent company may have lower rates.)
7) The accident and driving records of those who will be driving the car. (Some companies give a 10 to 20 per cent discount for a good driving record.)
8) The occupation of the driver. (Persons who farm or ranch may qualify for a discount on insurance premiums for a "farm automobile"--a private passenger car, station wagon, pick-up truck, delivery van, or panel truck, garaged on a farm or ranch. The vehicle may not be used in any occupation other than farming or ranching, nor be used in driving to and from an occupation other than farming.)
9) The use of the car. (Special insurance may be needed if you drive outside the United States. Insurance may be higher for a much used business car.)
10) The number of cars owned. (A number of companies offer discounts for insuring two or more cars under the same ownership.)

APPLICATION: What can you do if your insurance is cancelled? [A handout would be good so participants will have this information for future reference.] Ask each participant to select one of the following solutions and give reasons for choosing it.

Try another company. Perhaps you can get another company to look at your case on its individual merits. If you also need insurance for your home or business, perhaps you can get both from the same company.

Look to the affiliated companies of major independent companies. The larger company may provide coverage for persons who do not qualify for the low-cost, select risk coverage offered by the independent companies.

Get supplementary coverage. If you are placed in the assigned risk pool and are eligible only for minimum coverage, you may be able to get additional coverage provided by Lloyd's of London through an insurance agent. This is expensive, however.

Substandard risk. If you want to avoid the assigned risk pool entirely, you can get insurance from a number of companies that specialize in substandard risk coverage. It's expensive, too.

Assigned risk pool. An arrangement through which a number of companies agree to insure a portion of the high risk persons who cannot find insurance elsewhere. Rates are quite high. Only minimum liability coverage is offered.

KEY IDEAS: Adequate insurance coverage is expected of all car and motorcycle owners.

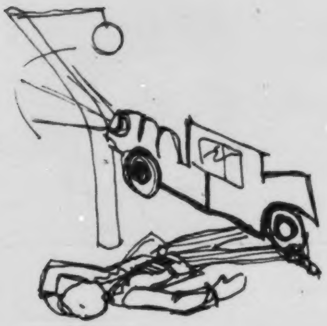
Automobile insurance provides financial protection in case of accident.

Specialized automobile insurance is available to meet individual needs.

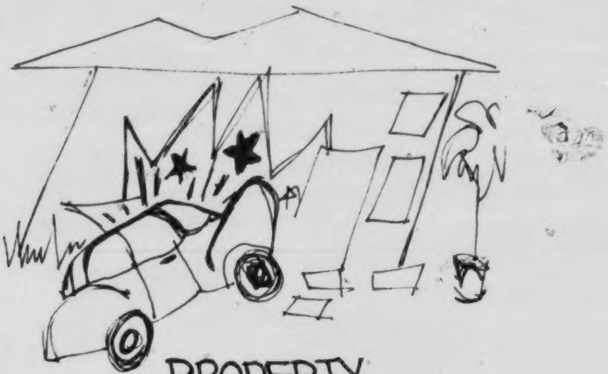
A number of factors affect the cost of automobile insurance.

Several alternatives are available for persons whose insurance has been cancelled.

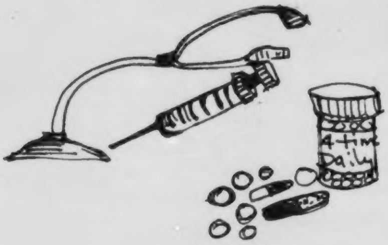
Types of AUTOMOBILE INSURANCE



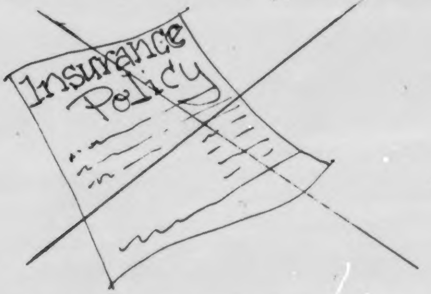
BODILY INJURY
LIABILITY INSURANCE



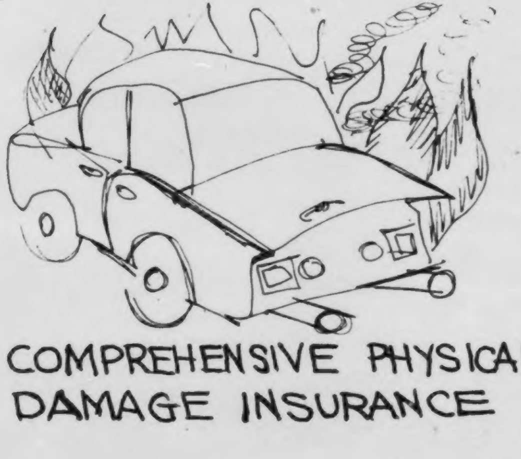
PROPERTY
DAMAGE LIABILITY INSURANCE



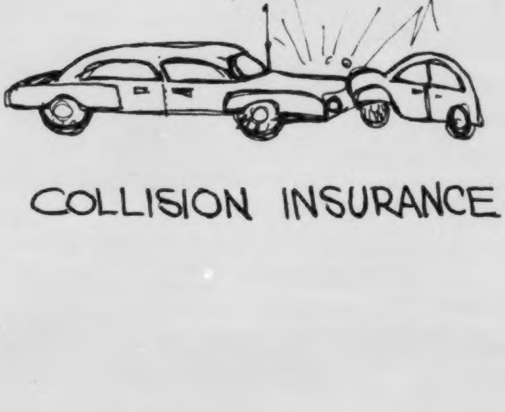
MEDICAL PAYMENTS
INSURANCE


Insurance
Policy

UNINSURED MOTORIST
PROTECTION



COMPREHENSIVE PHYSICAL
DAMAGE INSURANCE



COLLISION INSURANCE

A SUMMARY CHART OF AUTOMOBILE INSURANCE COVERAGES

Bodily Injury Coverages	Persons Covered	
	Policyholder	Other persons
--Bodily Injury Liability	No	Yes
--Medical Payments	Yes	Yes
--Protection Against Uninsured Motorists	Yes	Yes

Property Damages Coverages	Property Covered	
	Policyholder's Automobile	Property of others
--Property Damage Liability	No	Yes
--Comprehensive Physical Damage	Yes	No
--Collision	Yes	No

UNIT VII: INSURING
VII-6: Property and Home Insurance

OBJECTIVES:

- Identify the types of property insurance
- List coverages which may be provided by homeowners insurance
- Describe the purposes of property and home insurance
- Explain the forms of homeowners insurance
- Give examples of factors affecting the cost of home insurance

VOCABULARY:

property insurance
homeowners policy
special form
basic form
broad form
personal property
comprehensive form
contents broad form
liability coverage
real property

Let's take a minute for you to think of the different things you own. Is it possible for someone to get into your house or apartment and damage or steal some of your property? Could broken plumbing flood your house or apartment? Could a fire destroy everything you have? What would happen if a person got hurt in or outside of your house or apartment?

Home owners, as well as renters, need protection to insure against risks and losses.

What are some things which might happen to your home or personal belongings? [Use cartoons (p. 316).]

fire
theft
vandalism
water damage
hail
windstorm
lightning
home accidents
law suits from people hurt on your property

These are just a few of the hazards which may cause damage to your home or personal property. Have any of these things ever happened to your family? What can a family do to lessen the hardship which would be caused if one of these hazards damaged or destroyed their house, apartment, or personal belongings?

Many people share the risks posed by these hazards with other families through property and home owners insurance.

Types of insurance available

Property insurance works like other insurance plans. Property insurance protects the policyholder against large financial loss.

There are two types of property insurance, real property and personal property. Real property is land and anything that is on the land permanently. Examples of real property are: a house, garage, barn, etc. Personal property are things which are not attached permanently to the land. Examples of personal property are: clothes, furniture, jewelry, T.V.'s, stereos, etc. You can buy real and personal property protection individually, as two policies, or together as a combination policy. Which ever way you decide to buy these policies, home owners and renters should have this kind of protection.

Types of property coverage

There are many types of property insurance you can buy for your home and personal property. Several separate insurance policies may be purchased--a fire policy, a burglary and theft policy, a policy against storm damages, and a liability policy. Another way to protect against all these hazards is to purchase a homeowners policy which covers a variety of risks. If you rent rather than own the place where you live, a special form of the tenant householders policy is available.

HomeOwners Insurance

A homeowners policy includes both property and liability coverages up to the stated limits.

Property coverage includes:

1) House, garage, and other private buildings on your lot.
2) Personal property and possessions, wherever they are.
3) Additional living expenses in case you cannot live in your home because of damages caused by one of the hazards you are insured against.

Liability coverage includes:

1) Personal liability which provides legal defense against lawsuits that may be filed against you if someone is injured on your property or you accidentally damage someone else's property and you are legally at fault.
2) Medical payments for injury to others.
3) The property of others when damaged by you or a member of your family.

Perils that are insured against

The homeowners policy is available in five forms. [Use transparency (p. 317).] You can choose from:

1) (HO-1) Basic form--covers only first 11 hazards or perils.
2) (HO-2) Broad form--covers all 18 hazards or perils.
3) (HO-3) Special form--combines comprehensive and contents broad forms.
4) (HO-4) Contents broad form--tenant's form, covers household contents and personal belongings against all 18 hazards and perils.
5) Comprehensive forms--covers all 18 hazards or perils, and all hazards except those listed on bottom.

Cost of Homeowners Insurance

The cost of insuring your home depends on several things:

- -the number and kinds of hazards you want to insure against
- -the amount of coverage you want
- -the value of your home
- -the location of your home
- -the efficiency of the fire and police departments in your area
- -the materials used in building your home

Amount of protection needed

How much insurance should you have on your home?

> Under the homeowners policy you should insure your home for 80% of its replacement value in order to receive full payment for any partial loss or damage.

To make the most of your insurance: [Provide a handout (p. 318) of this information.]

- -buy adequate insurance on your home
- -keep a list of your possessions and their replacement value
- -review your insurance program with your agent periodically
- -report losses to your agent promptly, with all the details that are needed to make your claims

APPLICATION: Discuss the following questions:

Do you have a homeowners insurance policy? If so, study your policy to see what hazards you are insured against. What form do you have?

What information must you have before you decide how much insurance you need? Who can help you decide how much you will need?

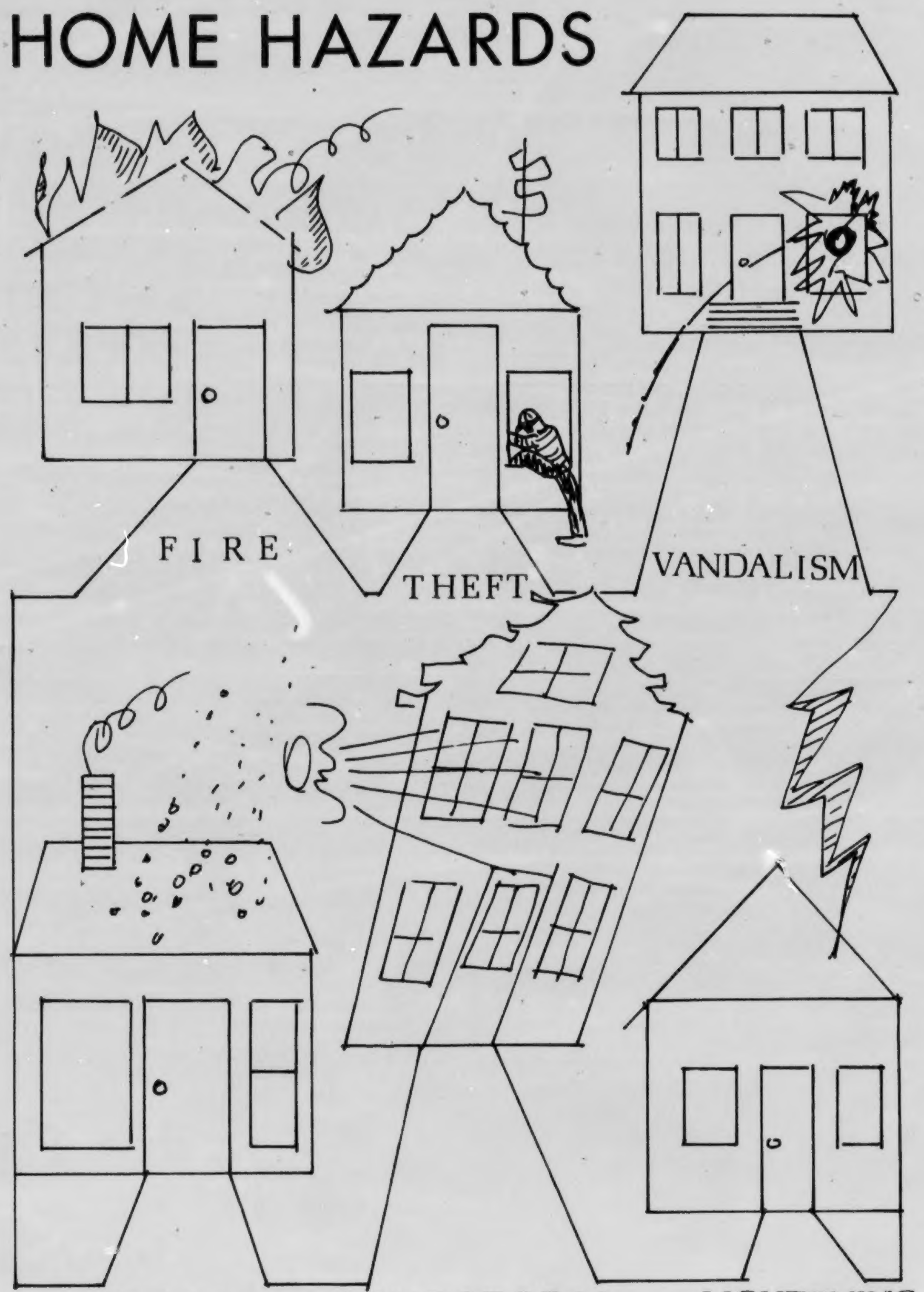
What type of homeowners policy should you have for your home? How much insurance should you have on your home? If you already have a policy, is it enough?

KEY IDEAS: Personal property and home insurance protects against economic loss from a number of hazards.

A homeowners policy provides both property and liability coverages up to stated limits.

A list of possessions and their replacement value should be kept in a safe place so losses are easier to determine.

HOME HAZARDS


FIRE
THEFT
VANDALISM
HAIL
WINDSTORM
LIGHTENING

PERILS AGAINST WHICH PROPERTIES ARE INSURED
HOMEOWNERS POLICY

FORMS

COMPREHENSIVE (HO-5)

BROAD (HO-2)

BASIC (HO-1)

PERILS

1. fire or lightning
2. loss of property removed from premises endangered by fire or other perils
3. windstorm or hail
4. explosion
5. riot or civil commotion
6. aircraft
7. vehicles
8. smoke
9. vandalism or malicious mischief
10. theft
11. breakage of glass constituting a part of the building (not included in HO-3 and HO-4

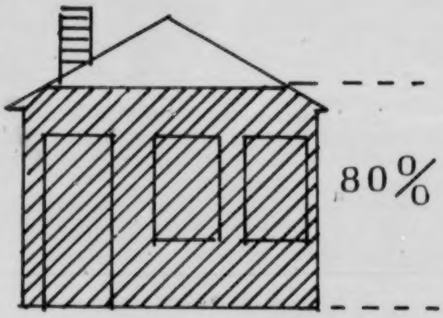
- - - - - - - - - - - - - - - - - - - -

12. falling objects
13. weight of ice, snow, sleet
14. collapse of building(s) or any part thereof
15. sudden and accidental tearing asunder, cracking, burning, or bulging or a steam or hot water heating system or of appliances for heating water
16. accidental discharge, leakage, or overflow of water or steam from within a plumbing, heating, or air-conditioning system or domestic appliance
17. freezing or plumbing, heating, and air-conditioning systems and domestic appliances
18. sudden and accidental injury from artificially generated currents to electrical appliances, devices, fixtures and wiring (TV and radio tubes not included)

- - - - - - - - - - - - - - - - - - - -

All perils EXCEPT: flood, earthquake, war, nuclear attack, and others specified in your policy. Check your policy for a complete listing of perils excluded.

How can I make the most of my home insurance?

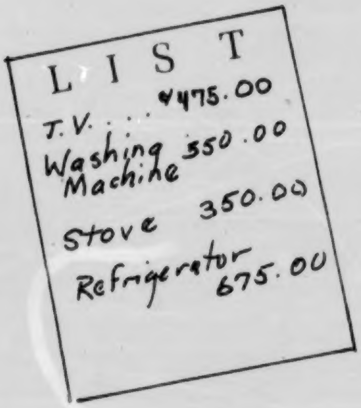


Buy adequate insurance on your home and belongings.

Keep a list of your posessions and their replacement value.

Review insurance program with your agent periodically.

Report losses to your agent promptly with all details he needs to make your claim.


LIST
T.V. . . . $475.00
Washing Machine 350.00
Stove 350.00
Refrigerator 675.00

UNIT VII: INSURING
VII-7: Wills--Insurance for Your Family's Future

OBJECTIVES:

Identify the function of a will
List the reasons for making a will
Explain how a will is made
Give example problems which occur when a person dies leaving no will

VOCABULARY:

will
estate
real property
personal property
administrator
joint ownership
community property
separate property
administration
guardianship

Can you think of something which you own that you would like a certain person to have when you die? If so, you need a will. Would you like to be sure that your spouse, children, or someone else receives your money and other property when you die? If so, you need a will. Wives, did you know that under some states' laws you own half of the property you and your husband have acquired since your marriage? If you have acquired such property or own property yourself, you need a will.

What are some things your family owns?

A home?
A car?
Some life insurance?
A few shares of stock?
A bank account?

Your need for a will

There are some things you need to think about when deciding if you need a will. Here are some points to consider:

1) A will assures you that the persons you wish will receive your estate (the property you leave behind) with less expense than if you left no will. Death and inheritance taxes may be less, too.
2) Whether you own real property (real estate, such as land) or personal property of value (car, jewelry, furniture, stocks, bonds, and savings account), you need a will. This is true even if you own it jointly with someone else.
3) You have a right to decide who will get your property when you die. If you leave no will your property will be distributed by law.
4) If you don't leave a will, you estate will be handled by an administrator appointed by the court and this costs money. Without protection of a will, your estate could be reduced substantially by heavy costs and taxes.

5) Joint ownership (you and your spouse owning property together, for example) may not take the place of a will. Property owned jointly may still be subjected to death taxes and maybe even to gift taxes, which are higher than death taxes.

6) Your estate (what you own) is probably larger than you think. Think of the property that you own--

Real property
  House
  Investment property (lots, apartment building, etc.)
  Business property (office building, etc.)
Personal property
  Automobile(s), boat
  Household furnishings, tools, jewelry, sports equipment, and other personal items)
  Employee benefits (retirement and pension funds; group life insurance)
  Credit union accounts and other savings
  Notes (secured and unsecured)
  Stocks and bonds
  Life insurance (including credit union, life savings, and loan protection insurance)

These are only a few of the things you may own.

7) Your will should be written by your lawyer. You wouldn't take out your own appendix, would you? Instead you would consult a professional. You should do the same with your will. It doesn't cost as much as you might imagine.

8) Your will does nothing until you die, but it should be carefully planned and kept up-to-date so your property will be distributed the way you want it to be.

9) Keep your will in a safe place--your lawyer's or bank's vault (not a safe deposit box because they are sealed when you die) would be a good place. Also keep a letter of last instructions in a place where your family can easily find it, or tell them where it will be.

10) Review your will periodically. Only you can change your will, but an outdated will may be as bad as no will at all.

Making out a will

There are requirements for making out a will. You can make out a will if you are:

1) of sound mind; and
2) eighteen years of age, or
3) now married or have been lawfully married, or
4) in the armed forces or auxiliaries, or the maritime service.

The functions of a will are:

1) It determines who receives the property after the person's death.
2) It can be changed by the maker and it gives no one any property so long as the person making the will lives.
3) It can save death taxes and expenses.
4) Properly drawn, it can solve or avoid many problems created by death without a will.

Not having a will

If you should die without a will:

In Texas, if you leave only community property (property accumulated during marriage, except property acquired by gift, will, or inheritance) the following rules apply:

1) If you have children, your wife, or husband, inherits NOTHING. She or he already owns 1/2 of the community estate.
2) Your children take your ENTIRE one-half of the community property.
3) Your spouse may have to go to work because half the estate may not be enough to live on. (And she or he may still have the legal obligation to support any children under eighteen.)
4) An administrator--person(s) appointed to distribute your estate--may be necessary.
5) A guardian--person(s) appointed to protect your children's property--may be necessary for the estate of your minor children.

If you leave separate property (property owned before marriage and property acquired during marriage by gift, will, or inheritance), different rules determine who gets it.

Two other words deserve attention:

Administrator--one or more persons appointed by the court to distribute the property of someone who has died, after gathering together the property and paying off debts and taxes of the estate. May be avoided by a properly drawn will.

Guardian--one or more persons appointed by the court to protect the property and rights of minors, to sell their interest in the home, the car, and the stocks, and to handle the children's money. Social Security and the Veterans Administration may require it before they will pay certain benefits. A court appointed guardian may be avoided by appointing a guardian of your choice in a properly drawn will.

APPLICATION: Make a tour through your home and list any pieces of furniture, antiques, and personal items such as jewelry, grandparent's quilt, or family photographs, that you would want to give to someone special when you die.

KEY IDEAS: Estate planning involves the program for use, conservation, and disposal of all one's money and property after death.

Careful estate planning can protect and assure a family both financially and emotionally.

The drawing of a will insures that a person's estate is distributed to persons of the owner's choice after his/her death.

UNIT VIII: SHOPPING
VIII-1: Factors Influencing Purchasing

OBJECTIVES:

Identify factors which influence one's purchasing of goods and services
Define the role of attitudes in purchasing
List appeals which advertisements make
Cite the role of advertising in promoting sales
Give examples of misleading advertisements
Explain the value of making preliminary buying plans
Present the results of planned vs. unplanned spending

VOCABULARY:

attitudes
emotional appeals
ego appeals
logical appeals
fictitious pricing
decision making
buying plan
informed shopper
uninformed shopper
quality
durability
style

Becoming a wise consumer is more than making the right choices. You should also be satisfied with what you buy. If you pay too much for the things you buy, or if the things you buy do not last very long, your money is wasted.

Most of the things we want and need cost money. Food to eat, a place to live, and school for our children all cost money. We all have limited incomes and we work hard for our money. We want to get the most we can for our hard-earned dollars. Being a wise consumer means getting more for your money through careful buying. This is the topic which we will be talking about in the next few lessons.

Factors influencing your choices

The main reason it is hard to buy wisely is that you have an unlimited number of items to choose from. Why choose Brand "X" over Brand "Z"? Do you know the reasons why you choose the item you buy? Knowing these reasons could help you to make wiser choices. These reasons are your values, needs, wants, enviroment, income, occupation, friends, advertising, spending plan, use of cash or credit, special sales, bargains, and impulse buying.

Personal attitude toward buying

[Give participants slips of paper containing part of a statement involving a buying situation (p. 330). Ask each participant to complete the sentence by telling how they felt in this situation. Distribute statements in such a way that more than one person reacts to the same statement.]

These feelings you have expressed are called attitudes and they affect your buying practices. If you feel proud and happy when buying something big, you might spend more time shopping around so that this feeling of pride will last a long time after the purchase is made. If you feel bad when you are almost broke, you may work hard so you won't get into that situation very often. Everyone has feelings about these situations which involve money. Did you all feel the same way? We see that different people have different feelings about money. These feelings are neither right nor wrong, but reflect your own tastes, preferences, and feelings.

The particular meaning money has for you becomes a factor which influences the way you spend your money. The use of money is influenced not only by your feelings or attitudes about money, but also by your attitudes about many other things; personal attitudes about food, fashions, recreation, transportation, or security affect the way one uses money to get these things.

[Have participants dramatize the attitudes described in the following statements and the effect these would have on buying practices.]

a) Mary Lou Johnson says, "There's more where this came from." If this is her attitude toward money, how will she behave in the store?
b) Ray Adams says, "If the Joneses can afford a color TV, so can we." How will Mr. Adams spend his money?
c) Maria Garcia is always expecting something terrible to happen, and says, "Who knows, disaster may strike tomorrow." How do you think this attitude will affect her buying practices?

Advertising influences your buying

Thousands of dollars are spent each year on each person in the United States bringing products to their attention through advertising. Why do you think businesses and manufacturers advertise? (To encourage people to buy their products.)

One way advertisers persuade people to buy is by making them think they need a product which is new and different. Some advertisements encourage people to buy more of a product by showing them new ways to use it. Sometimes an advertisement encourages people to buy a particular brand. What brand comes to your mind when you think of facial tissues, blue jeans, soft drinks? In addition to persuading people to buy, advertising also informs people about what they can expect of a product.

Types of advertising appeals

There are three major types of appeals advertising uses to influence your buying. [Use a flannel board to show examples of the three major types of advertising appeals.] They are:

Emotional Appeals--To get you to buy a product, an advertisement must convince you that you need it. To do this, the advertisement may appeal to your need to be liked by others, your desire to be attractive to others, your need to feel safe and secure, or to your concern for your loved ones. These are called emotional appeals, because they affect the way you feel. Some of these advertisements show before and after pictures, or give you the idea that everybody is doing it. Look for examples of advertisements which appeal to your emotions.

Ego Appeals--Another major type of advertising appeals to the way one feels about oneself. These advertisements may imply that using this product will make you appear more grown up, more important, more feminine or more manly, or younger. Other advertisements appeal to your desire to be a little different from everybody else. Find advertisements which appeal to the way you would like others to see you.

How do advertisers manage to convince you that theirs is the product that you should buy? Some advertisements are made by famous movie stars or sports figures who say they use the product. If you feel you would like to be like the person in the advertisement, you may want to buy this product. Will using the product really make you more like the famous person? Why? Name some advertisements in which you have seen a famous person. Other advertisements give the impression that you will improve yourself by using a product--that you will be prettier, or more physically fit, for example. The advertisement implies that there is a connection between being pretty or physically fit and using this product. Find some advertisements which imply that using a certain product will improve you in some way.

Logical Appeals--A third major advertising appeal is based on reasoning. This type advertisement gives logical reasons why you should choose this particular product. The advertisement may tell you about the special ingredients in the product, give reasons it is a good product, tell how the product performs compared to other products, or list the special qualities of the product. Find advertisements which give logical reasons for buying the product.

Advertisements: Good and Bad

[Use a flannel board to show the positive and negative aspects of advertising.] Some advertisements do good things for you as a consumer. An advertisement may help to educate you to know what to expect from a product and, chances are, you'll be happier with your purchase. It may contribute to better health by helping you spend more wisely for useful and safe products. An advertisement may help you to improve the way you live by giving the information you need to help you purchase exactly what you need and want.

Another value of advertising is that it tells people about new products which they may buy. It may also help you know where to shop. Some advertising, however, is not helpful to you as a consumer. This type of advertising may give false, misleading, or deceptive information which could cause you to make unwise choices. Advertising can cause confusion and bewilderment. Advertising can encourage buying for the wrong reasons, like "everybody else is buying it." Some advertisements give misleading information about prices and may make you think you're getting bargains when you are not. Advertisements may also attempt to make you unhappy with what you already have. An example would be criticizing last year's model, style, or design. Sometimes advertising encourages us to buy things we don't need with money we don't have through use of credit.

Deception in advertising

A common form of deception in advertising is known as fictitious pricing. This is a way of advertising so that consumers are led to believe the seller has reduced the price. For example, one store advertised girls' dresses for "$9.95 marked down from regular price of $13.98." The regular retail price of the dress was only $9.95.

You can avoid being "taken" by these dishonest advertising claims if you shop around. Know your prices. Analyze advertising claims carefully. Be wary of such terms as "unbelievable savings," "fantastic price reductions," and "all items at wholesale price."

Every consumer needs to learn to recognize when a bargain is really a bargain. Here are some clues. [Use instant slides (p. 331).] If the advertisement refers to the previous selling price as regularly, usually, formerly, was, or were, this may indicate a cut in the seller's own normal or regular price. If you see the word originally in an advertisement, you know that at one time this was the seller's price, but that it may have been marked down several times since then.

If the advertisement refers to a $20 value; list, suggested, or retail price; or says the article was pre-ticketed at this price, you know this is the price at which you could buy the same article at other stores in the area. If the advertisement refers to the price of a comparable value or says compare at $20, then you know that this article is similar to, but not exactly like, articles sold in other stores in the area. Advertisements which say Save $20 or Save 25% should be based on the seller's own regular selling price.

Advertisements which include free offers and two-for-the-price-of-one sales should disclose all terms and conditions for the sale. Be sure that the regular price has not been increased to include the price of the "free" offer or that the quality or quantity of the article has not been reduced to include the free offer.

Beware of advertisements of wholesale or factory prices. These are frequently dishonest. Watch for the words seconds, imperfects, or irregulars in an advertisement. This means there is something wrong with the merchandise and you should check before buying to be sure that the imperfection will not affect the use of the article.

How to recognize truthful advertisements

You can tell whether an advertisement is truthful and tells you what you need to know if: [Use a flannel board or blackboard to list points in evaluating an advertisement.]

1) An advertisement should do what is intended, whether it is to inform, to impress favorably, or to introduce a new product.
2) The advertisement should give accurate information about such things as content and use of a product.
3) An advertisement should give adequate information so one can choose wisely.

4) The advertisement should be in good taste, should be acceptable to the public, and should not infringe on moral or ethical beliefs.
5) Advertisements should be fairly realistic and true to life.
6) Advertisements should show creativity and should inspire one's imagination.
7) The advertisement should not annoy or irritate the public by being so silly or ridiculous that people are insulted by it.
8) The advertisement should be appropriate for the audience--the type of people who are likely to buy the product.

[Practice evaluating with the participants several advertisements, emphasizing points 2 and 3.]

Decision making

The decisions you make about what to buy are influenced by your values (what you think is important in life) and by your goals (the things you want to accomplish now or in the future). The things your family needs and wants will be important, too. Your resources (the things you have available to use in reaching your goals like money, time, energy, and skills) also help you to decide what to buy. [Review steps in decision making (Unit I). Use the suggestion for the flannel board (p. 332) as a basis for the following discussion.]

In making a decision about what to buy, there are several steps you can take to help make a decision you will be happy with. These steps are:

1) Identify the problem--What do I need? Make a buying plan.
2) Identify possible solutions--How can I get whatever I need? What resources are available for me to use? What products are available which would satisfy my needs? What features do they have? Should I buy now or wait? Should I use credit?
3) Weigh possible solutions--Which solution is best for my family? Which will help me to reach more of my goals? Make the best use of resources? Meet more of my family's needs and wants?
4) Choose one solution--Which solution seems best? What will be the possible outcomes of choosing this solution? Will I be happy with my decision later?
5) Try the solution--What do I need to do to put my solution into action? Make a shopping plan.
6) Evaluate the results--Was this solution satisfactory? Would another solution have been better? What should I do next time?
7) Make a new plan, if needed--Would I do the same thing next time? If not, what should I do?

Planning for purchases

Consumers who do not have product information, or know certain buying tips, may cause some of the problems they have. Many consumers do not look for information about price, quality, safety, and alternatives for products or services they buy.

Before you buy a product or service you should make a buying plan. [Make a transparency of the following information.] Your buying plan should include the following:

1) item needed
2) price range in relation to budget
3) quality in relation to intended use
4) durability needed
5) number
6) size
7) color
8) style
9) construction details
10) special features or requirements
11) convenience
12) time
13) energy
14) space available or required
15) care needed
16) guarantee or warranty

[Use transparency (p. 333) to illustrate.] Example: If your teenage daughter needed a party dress which she would only wear a few times, you might not want to spend a great deal of money for it. It would not have to be of the best quality, nor would it have to be very durable. You would need to know what size she wears and the color needed to go with the shoes and bag she planned to wear. For a party dress to be worn only a few times you might want to buy the latest style; but if you were choosing a coat to wear for several seasons you might choose a more conservative sytle. Construction details might not be too important, either. If you particularly wanted a dress with a V-neckline or one with sleeves, these would be special features, or requirements. In deciding whether to make or buy the dress you would need to compare the convenience of buying it ready-made with the time and energy you have available for making it. In choosing the dress, check to see what care is required: whether it may be washed or must be dry cleaned.

[Have participants present a skit (pp. 334-335) illustrating a shopper who did not plan before shopping.] "What improvements could Mary make in her shopping practices?"

> She should know what she needs before she goes shopping.
> She shouldn't have gone shopping when she was feeling bored.
> She should have tried the dresses on.
> She should have considered whether or not she could wear the shoes with other things.

How can making buying plans before you shop help you to make better selections in the store?

APPLICATION: Let the participants work in groups to decide what they would include in preliminary plans for a washer, stove, refrigerator, TV, or stereo. Have groups report to the entire group. Add to lists as needed. Tape record or list conclusions.

Ask participants to think of something they will buy in the near future. Let them decide what qualities they would look for in each item. Tape record or list conclusions.

Divide the participants into groups of two or three. Give each group a number of advertisements. Read the following characteristics or advertisements one at a time and ask the groups to select an ad from their advertisements which has this characteristic. Then ask groups to share their selections with the other participants. Discuss how each advertisement creates the impression indicated by the following characteristics:

Emphasizes that the product is new and different
Shows new ways to use a product
Encourages you to buy a certain brand
Gives information about the product
Appeals to your need to be liked by others
Appeals to your need to be safe and secure
Appeals to your concern for your loved ones
Gives the impression that "everybody" is buying this product
Implies that the product will improve you in some way if you use it
Appeals to your desire to be different
Uses logical reasons to encourage you to buy
Makes you unhappy with what you have
Appeals to a certain group, such as children, business people, homemakers, or teenagers
Appeals to your desire for good health
Appeals to your desire to be pretty or handsome, or to stay young

KEY IDEAS: Purchases of goods and services are influenced by a number of factors.

Attitudes toward spending money, shopping for merchandise, and making decisions affect buying practices.

Producers, retailers, and advertisers appeal to certain physical, psychological, and social motivations to influence people in their purchasing decisions.

Knowledge of the role of advertising in promoting sales can aid the consumer in evaluating advertising more objectively.

Using the decision making process can aid the consumer in planning purchases.

Planning one's purchases might help save money by choosing the quality best suited to the intended use of the item.

INCOMPLETE STATEMENTS ON BUYING
(Handout)

1. When buying something big, like a washing machine...

2. When I have extra money to spend...

3. When I'm almost broke...

4. When buying new clothes for myself...

5. When I spend more on groceries than I intended...

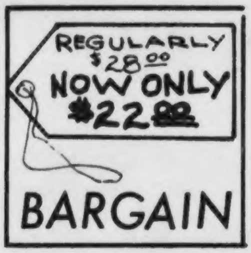
6. When an emergency has upset my plans...

7. When I've finally gotten something I've wanted for a long time...

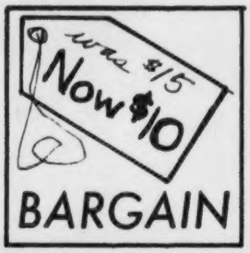
8. When I have money to give the kids a treat...

9. When I can't buy something I really want...

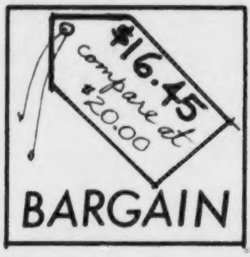
10. When I buy something that I don't really need...


REGULARLY
$28.00
NOW ONLY
$22.00
BARGAIN

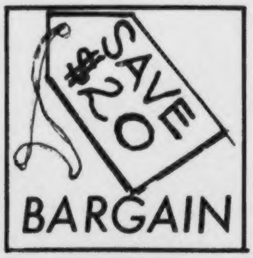
1.


was $15
Now $10
BARGAIN

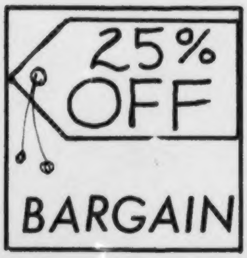
2.


$16.45
compare at
$20.00
BARGAIN

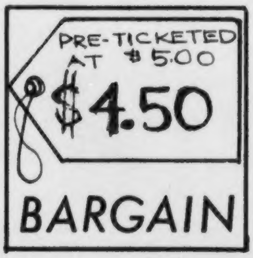
3.


SAVE
$20
BARGAIN

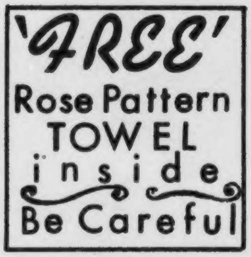
4.


25%
OFF
BARGAIN

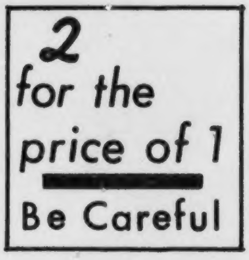
5.


PRE-TICKETED
AT $5.00
$4.50
BARGAIN

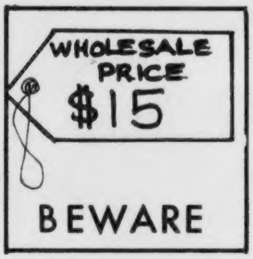
6.


'FREE'
Rose Pattern
TOWEL
inside
Be Careful

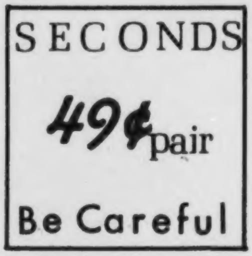
7.


2
for the
price of 1
Be Careful

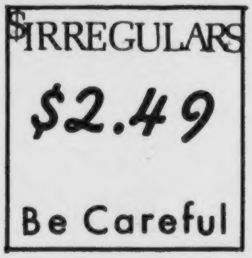
8.


WHOLESALE
PRICE
$15
BEWARE

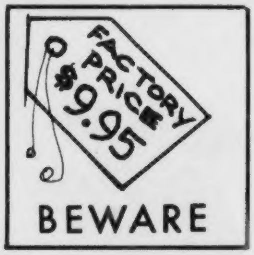
9.


SECONDS
49¢ pair
Be Careful

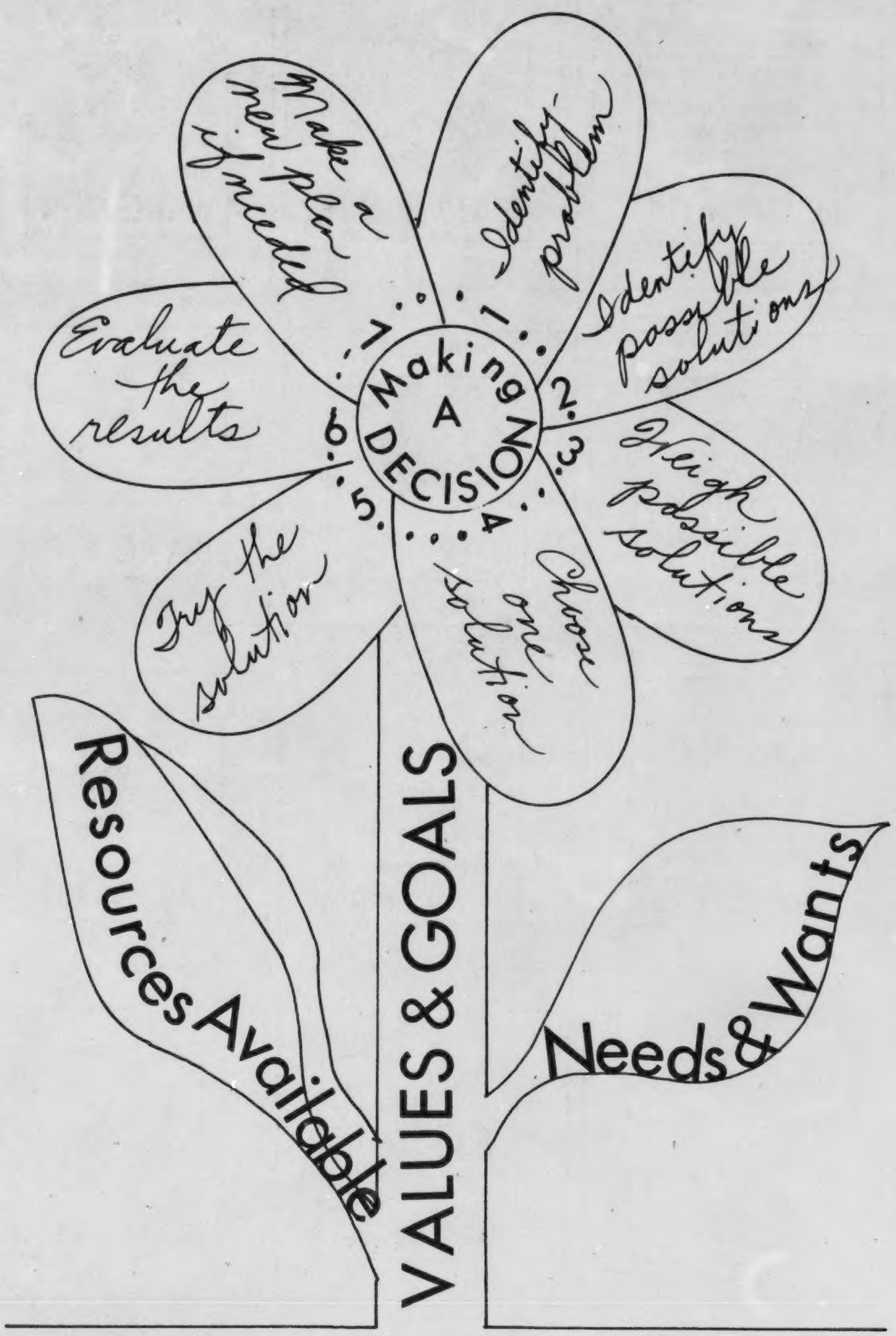
10.


IRREGULARS
$2.49
Be Careful

11.


FACTORY
PRICE
$9.95
BEWARE

12.


Making A DECISION
1. Identify problem
2. Identify possible solutions
3. Weigh possible solutions
4. Choose one solution
5. Try the solution
6. Evaluate the results
7. Make a new plan if needed
Resources Available
VALUES & GOALS
Needs & Wants

Item Needed
party dress

Price
inexpensive
$15 - $20

Quality
medium

Durability
fair

Number
one

Size
10 Misses

Color
Blue

Style
Latest

Workmanship
acceptable

Convenience
Important

Time
limited

Energy
limited

Space
room in closet

Care Needed
washable

Guarantee
will not shrink more than 2%
colorfast

SHOPPING WITHOUT PLANNING
(Skit)

Mary Johnson was bored on Saturday afternoon, so she decided that a shopping trip would be just what she needed to cheer her up. Here she comes now into Brown's Department Store.

Mary: Oh, look! Brown's is having a sale! I can hardly wait to see what they have. I'm so glad I came shopping, I feel better already.

Salesperson: May I help you?

Mary: I saw the sign in the window. I'd like to look at the things you have on sale.

Salesperson: Good! We certainly have a lot of nice things on sale today. You can get some real bargains. Step this way, please.

Mary: Oh! Look at those cute dresses! That's what I want to look at!

Salesperson: I'm sure you'll find one you like.

Mary: This one is beautiful. And it's just my color. And here's another one. Oh, but I don't have any shoes to wear with it. Maybe I'll get some shoes, too.

Salesperson: Then you want both dresses. Would you care to try them on?

Mary: Well, maybe I should.

Salesperson: I believe all the dressing rooms are in use right now, but if you'd care to wait...

Mary: Oh, I'm sure they'll fit.

Salesperson: Well, if you're sure. Now do you want to see some shoes?

Mary: Yes, I think I will.

Salesperson: We have some shoes on sale, too.

Mary: This must be my lucky day.

(Mary finds shoes she likes.)

Salesperson: Will that be all?

Mary: Yes, I really didn't plan to buy anything, but I'm so glad I came shopping.

Salesperson: That will be $32.50.

Mary: $32.50! Oh dear, I really shouldn't have spent so much.

Salesperson: I'm sure you'll enjoy them, dear.

Mary: I did get some good buys.

(Later, at home, Mary is standing in front of the mirror trying on one of her new dresses when she hears a knock at the door.)

Sally: Yoo Hoo, Mary!

Mary: Come in, Sally.

Sally: Oh! I see you've been shopping.

Mary: Yes, and I'm so unhappy. I went shopping to cheer myself up and now I wish I hadn't.

Sally: Why? What's wrong, Mary?

Mary: I bought dresses on sale at Brown's and I didn't feel like waiting for a dressing room, so I didn't try them on. And this one doesn't fit. I think I've gained some weight.

Sally: Does the other one fit?

Mary: (Brightening) Yes, it fits very well and I bought some shoes to wear with it.

Sally: These are cute shoes, Mary, but I can't think of anything else you have that they will go with.

Mary: (Sadly) I guess you're right, Sally. And I spent $32.50. John needs a new jacket, and Judy needs new shoes and I really didn't need anything. (She starts crying.)

Sally: Now, Mary, don't cry.

UNIT VIII: SHOPPING
VIII-2: Effective Purchasing

OBJECTIVES:

- Identify principles of buying that may aid in making selections
- List ways consumers can learn about products before buying them
- Define various sources where goods and services may be purchased
- Explain the value of comparative shopping
- Give examples of the limitations impulse and bargain buying puts on a family's alternatives in distributing income
- Present the purposes of guarantees and warranties

VOCABULARY:

- retail store
- chain store
- independent store
- department store
- speciality store
- variety store
- discount store
- non-store retailers
- vending machines
- cooperatives
- comparative shopping
- impluse buying
- bargains
- guarantees
- warranties
- express warranty
- implied warranty
- full warranty
- limited warranty

There are certain buying principles you should know for buying goods and services that might help you save on purchases. Wise consumers use these principles to help them know what to buy, where to buy, and when to buy.

What to buy

One principle which might help you decide what to buy is to make a practice of learning what is available, what features to look for, and what price you may expect to pay before you make a purchase.

There are several ways you can learn about products before you buy them. [Use the transparency (p. 346) as a basis for discussing the main sources of information.]

Labels--A good label should provide you with information about contents, quality, quantity, trade name, price, how to use the product, grading, and special instructions for care of the product.

U.S. Grades and Inspection Stamps--These tell you that the product has been inspected and found to be clean and wholesome and free of harmful preservatives. They may also tell you what the quality of the product is.

Guarantees and Warranties--Tell you what promises the manufacturer or seller makes and what their obligations are.

Magazines and Books--Frequently have articles about new products that are available and sometimes compare several products.

Advertising--Through advertising you may learn about products, find out what is available, compare prices, learn where to shop.

Government Bulletins--These are frequently free and are available on a large number of products. They may give you hints on what to look for in a product.

Friends, Neighbors, and Relatives--By sharing experiences you can learn more about products they use, points to consider, etc.

How could studying information about a product before you buy save you time and money?

Where to buy

You have decided what you need, you have considered possible solutions, you have made a decision about what to buy, and you have made a shopping list which describes the article you want to buy. Now you are ready to shop, so the next step is to decide where to shop.

What kinds of stores and other sources of merchandise can you name? [Use visual (p. 347).]

Types of stores

These may be divided into three main ways to buy merchandise. [Use flannel board (p. 348).] The first way is retail stores. A retail store is a business that sells goods and services to consumers through a store and it may be either a chain store or an independent store. A chain store is a member of a group of stores with the same or similar goods and policies. It is a true chain as all the stores are owned and operated by one company. Think of some examples of chain stores. Some independent stores join together to form a voluntary chain for the purpose of buying their goods and for promotional activities. On the other hand, stores that are owned and operated by the owner, instead of a company, are called independent stores. Can you name some independent stores in your community?

Retail stores

Retail stores may be divided into four kinds according to the type of merchandise they sell. Any of these may be either a chain store or an independent store. First, there is the department store. Can you think of some advantages and disadvantages of shopping at a department store?

It sells a wide variety of goods and services. It is divided into departments, such as men's clothing, boys' clothing, women's clothing, and shoes. Some even sell hardware, housewares, and food. Thus, you many find it possible to do all your shopping at one time. A department store usually has a wide selection of goods at different price levels. It offers a variety of customer services and has return privileges. In addition, department stores usually stay open late at least one day a week in larger towns and cities. On the other hand, you may find that a department store is too large to find what you want easily. It may be too far from your home and it may be too large to offer personal help when you need it. What are some of the department stores in your town?

The second kind of retail store is the speciality store. This means that it sells only one type of merchandise such as children's wear, shoes, clothing, books, groceries, furniture, etc. Speciality shops usually have a wide selection of their speciality. Sales people are likely to know their merchandise better, to be better trained, and to give you personal attention when you shop. A speciality store, like the department store, may offer goods in several price ranges. However, speciality shops sell only one type of merchandise, which means you will have to visit more stores when you shop. They may also charge higher prices. What are some speciality shops in your town?

A third type of retail store is the variety store. It sells a variety of goods, usually in a lower price range. They are mostly self-service, which means you must find what you need yourself, and most of their goods are displayed on counters. This allows you to see and inspect the merchandise. However, the variety store offers few customer services, and sales people are often hard to find and do not have much information about the merchandise. What variety stores are there in your town?

The last type of retail store is the discount store. These stores attempt to undersell other merchants on some of the well-known lines and types of merchandise. They usually have plenty of parking space and late shopping hours. Discount stores have disadvantages, though. They often fail to display merchandise attractively and offer few customer services. They usually offer only limited return privileges. They hire only a few sales people, which may make it difficult to get help when you need it. Even worse may be their failure to mark prices on merchandise. At what discount stores do you shop?

Sources other than stores

Some goods are available from sources other than stores. We call these sources non-store retailers. Door-to-door salespeople are non-store retailers. They enable you to shop at home and see or try the products before you buy them. On the other hand, it may be difficult to return items and you may not be able to compare prices. Selections are usually small and the salesperson may have goods in only one price range. They may come without making an appointment at a time that is inconvenient for you. What kinds of things have you bought from door-to-door salespeople?

Mail-order selling either by mail or telephone is another example of a non-store retailer and offers the convenience of shopping at home. You may return merchandise if it is unsatisfactory. Prices are usually reasonable and catalog descriptions usually provide accurate descriptions of merchandise which are helpful in making decisions. Unfortunately, there is little or no opportunity to see and compare merchandise before ordering and delivery adds to the catalog price. You may also have to wait for your order to arrive, which may be inconvenient if it is something which you need immediately. Name some mail-order sources with which you are familiar.

Vending machines are another source of merchandise and services in the non-store retailer category. They are coin-operated machines and provide goods on a self-service basis. They are quick and easy to use, usually have reasonable prices, and may be available 24 hours a day. However, vending machines offer little opportunity to inspect goods, permit no returns, and provide no customer services. Sometimes vending machines fail to make change, take coins, or provide the merchandise or service desired. Sometimes there is no way to make a complaint if the machine fails to operate properly. What are some goods and services you can get from vending machines? (candy, soft drinks, sandwiches, milk, ice, washing, hair drying, dry cleaning, car washing, etc.)

Cooperative

The last major source of goods and services is called cooperatives. These are associations created and jointly owned by their members. They are usually formed by a group of people for the purpose of jointly buying merchandise at reduced prices. Some sell only to members; some sell to anyone. Cooperatives offer profit sharing for members--often in the form of refunds on purchases. They are frequently lower in price than retail stores. However, they may provide only a limited amount and type of merchandise. Cooperatives seldom offer many customer services and the personnel and management may be inexperienced. Is there a cooperative in your town?

Location of the store

Location is another important factor in deciding where to shop. You may shop in a neighborhood store near your home, in a shopping center, or downtown. Your choice depends on where you live, what you want to buy, and what is most convenient for you.

Neighborhood stores may be conveniently located. They offer personalized service. They may save you time and energy and you may usually "go as you are" without dressing to go downtown. However, selections may be limited and prices may be higher.

Shopping centers may be conveniently located, offer free parking, and provide many types of merchandise and services. Many of the stores may stay open evenings. The shopping center often combines a number of specialty shops under one roof.

Downtown stores usually provide the greatest selection of merchandise and services at various price levels. Because a large number of stores are located in the same area, it may be easier to compare prices in several stores. On the other hand, shopping downtown is often time consuming, inconvenient, and costly, particularly if you live in the outlying area of a large town or city.

[Brainstorm with participants to solve problems of reaching shopping areas which could limit one's shopping horizons.]

Reputable merchants

When you spend your money for merchandise, particularly for big purchases, you want to be sure that you will be satisfied with your purchase. The extent to which you will be satisfied with your purchase can be determined to a large degree by the reputation of the place where you make your purchase. [Use visual (p. 349).]

Some questions one might consider in determining the reputation of a firm are:

1) How long has it been in business? When and where was the firm first established?
2) What do friends and neighbors think about the firm?
3) Does the firm stand behind its merchandise?
4) Does it have hidden costs which must be absorbed in the price of merchandise?
5) Does the firm do a large volume of business?
6) Does the firm offer additional services, such as a delivery and/or pick-up service, etc.?

As a group, discuss the following questions:

What are the advantages of dealing with a reputable merchant?
What are the disadvantages of dealing with disreputable or dishonest merchants?
What can you do if you don't know whether or not a business is reliable?

When to buy

How careful you are in making choices at the store helps to determine how much you get for your money. To get the most for your money, you need to shop comparatively, avoid impulse buying, know when a bargain is really a bargain, know what grade or quality is best for your purpose, and understand how standards, grades, warranties, and guarantees can aid you in determining what to buy.

Comparative shopping

Have you ever bought something only to find it cheaper at another store?
Have you ever bought something only to find one you liked better at another store?
Have you ever bought a product only to find you could have gotten better quality for the same price somewhere else?

Things like this happen to even the best shopper once in a while, but how can one reduce the frequency with which such experiences occur? A wise buyer does not often buy the first article they see. They "shop around," which means that they go to more than one store in town. A wise buyer looks very carefully to see what each store has to offer and at what price.

Before you go to the store, you can compare prices by using catalogs, newspapers, magazines, and advertisements. Before you shop, decide what stores are likely to have the items you need. Check in different types of stores. In general, the more expensive the item, the more you should shop around. It is not necessary to visit five or six stores to purchase a toothbrush. But if one were going to purchase an automobile, it would be a good idea to evaluate the reliability and service record, as well as prices, of perhaps six or seven dealers.

In each store, check the price of the article you want. Look at the quality and features of the article in each store. Ask about the guarantee given with the article. Read the tag or label on the article in each store.

Find out if there are extra charges for installation, delivery, credit, and servicing. Ask the clerk about the article.

When you have shopped around in a few stores, you can decide which store offers the best buy for you. When you are satisfied with the price and quality of the article in any one store, buy it. If you do not find what you want, wait until some other time to buy. If you find what you want is higher priced than you want to pay, you may change your mind. You may decide to do without the item, or to use something else in its place. You may want to wait and look again later or wait for a sale.

[Use visual (p. 350).] Remember--when you do comparative shopping:

Look at prices,
look at quality,
look at features,
look at guarantees,
look at tags and labels,
find out about installation, delivery, credit, and servicing, and
ask questions.

What would you say are some reasons why comparative shopping is a good idea?

[Use illustrations taken from advertisements, catalogs, or Consumer Guide to show durable goods, such as refrigerators, ranges, or washing machines, in which higher price is related to the number of extra gadgets rather than just to quality. Emphasize that a less expensive model may be of high quality and serve the same purpose for less money, especially if the extra gadgets are seldom used. Participants may be able to give other examples.]

Impulse buying

Buying on impulse is nothing more than buying before you make out a buying plan. [Let participants role play situations (p. 351) in which the shopper buys impulsively. Discuss the effect such purchases might have on getting other things the family needs or wants.]

[Ask participants to define "bargain." Ask "Is a 'bargain' always a bargain?" Give participants an opportunity to tell about "bargains" they have found which were not really bargains. Discuss the story (p. 352) to decide whether the bargains Jane found were really good buys.]

Warranties and Guarantees

Warranties and guarantees are promises made by a seller or the authorized agent concerning the quality or performance of merchandise. There are two types of warranties: express and implied.

An express warranty is a written guarantee of a specific quality or performance feature. For example, a seller makes a written promise that a skirt is washable, colorfast, and shrink-proof. You buy the skirt, and at the first washing it fades and shrinks out of shape. The seller is responsible for the express warranty and must refund your money or give you another skirt. When you buy an item, written guarantees are good. When you buy an item, it is a wise policy to look for labels or tags that state the manufacturer's or retailer's claims for the product. Here are examples of written warranties. [Use handout (p. 353).]

An implied warranty is a guarantee of the degree of quality or fitness that the buyer has a legal right to expect. This type of warranty does not have to be written down or stated orally. There are several types of implied warranties including: (1) The seller has a right to sell the product. (2) The buyer has a right to buy it and will receive full title to the goods. (3) The buyer has the right to trust the seller's judgment of the suitability of goods for the purpose intended. (For example, if you asked for rust proof nails to use in reroofing your house, you have a right to expect the seller to sell you only rust proof nails since you could not identify them yourself.) (4) The buyer also has a right to expect that food and drugs bought are fit for human consumption. (5) The buyer has a right to expect the things bought that cannot be evaluated by the buyer, such as a radio with complex parts, to work as they are intended to do. (6) If a buyer agrees to purchase something, the goods recieved must be exactly the same ones that the buyer agreed to buy. (7) Or if the buyer chooses goods from a sample, such as carpet, the goods recieved must be like the sample.

Forms of warranties

There are two forms of warranties a product might have. The first is a full warranty. A full warranty states there will be no charge or very small charges for repair or replacement during the length of the warranty. The second form is a limited warranty. A limited warranty limits seller's obligations and puts most of the financial responsibility on the consumer.

[Distribute or prepare transparencies of additional guarantees and discuss adequacy of information included in the guarantee.]

We might summarize the buying principles one should know before making a purchase as follows: [Use a visual or chalkboard to aid in summarizing.]

1) Make a plan and stick to it whenever possible.
2) Decide exactly what requirements you want for big and little purchases.
3) Know when to save money. Good buys are frequently available to people who shop off-season, following holidays, at periodic sales for certain items, anniversary sales, weekend sales, etc.
4) Know where to buy.
5) Compare prices and quality. Check newspapers, magazines, and advertisements. Go to several stores. Check other things besides price--like guarantees and warranties and service available. Look for U.S. grades and inspection stamps. Remember that you don't always need the best quality.
6) Take time to shop and consider carefully when making large purchases.

After buying

After you make a purchase be sure you keep all the information about the goods in a safe place. It is a good idea to:

1) Always keep a copy of a signed contract on file.
2) Always keep warranties, sales receipts, invoices, and cancelled checks on file.
3) Always keep use and care manuals on file.
4) Always keep a service history record on file.
5) Write down on the contract any verbal promises the seller makes and have them sign it.

Having these records on hand, if anything should go wrong, you will have a complete file of all the information you need to have the warranty fulfilled.

APPLICATION: If possible, visit several types of stores and look for evidence of the points brought out in this lesson.

Make a field trip to the stores where the participants shop. These stores should carry similar kinds of merchandise at different price ranges. Have participants work in pairs using the work sheet (p. 354) to determine which store offers the best buy for a given article. Groups should report to the entire group after field trip.

Ask participants to report their findings and discuss any case in which the highest priced item was not judged to have the best quality or give your own examples. Discuss ways comparative shopping can help get the most for the money.

KEY IDEAS: Collecting and studying information before buying helps in making sound consumer decisions.

Preliminary study of information can help save time and money.

Broad shopping horizons increase consumer choices.

Consumer interests are protected by dealing with reputable merchants.

Comparative shopping is helpful in guiding the consumer to make wise buying decisions.

Visual inspection is one means of judging quality of consumer goods.

Price is not a dependable guide to quality.

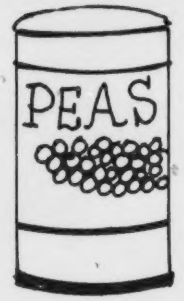
Frequency of impulse buying limits a family's alternatives in distributing its income.

A "bargain" is a bargain only when it has real value to the consumer.

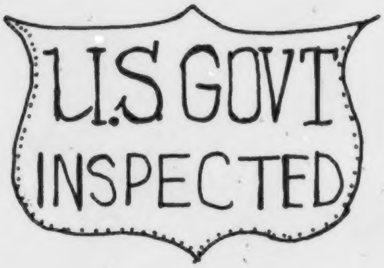
Money is saved when the quality of goods purchased is discriminatingly selected in relation to intended use.

Awareness of standards, grades, warranties, and guarantees aids in making selections.

SOURCES OF BUYING INFORMATION

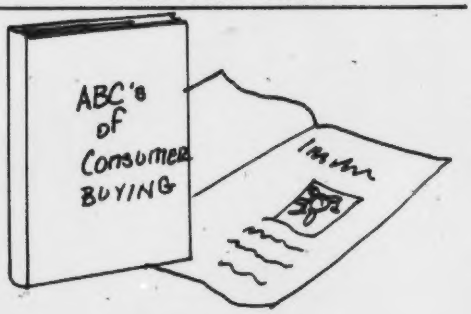


LABELS

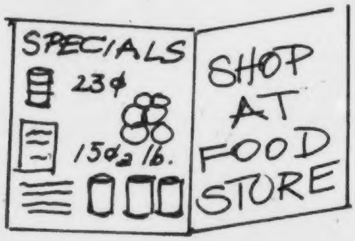

U.S. GOVT
INSPECTED

U.S. GRADES AND
INSPECTION STAMPS

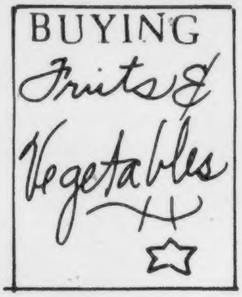
GUARANTEES AND
WARRANTIES


ABC's of Consumer BUYING

MAGAZINES AND BOOKS

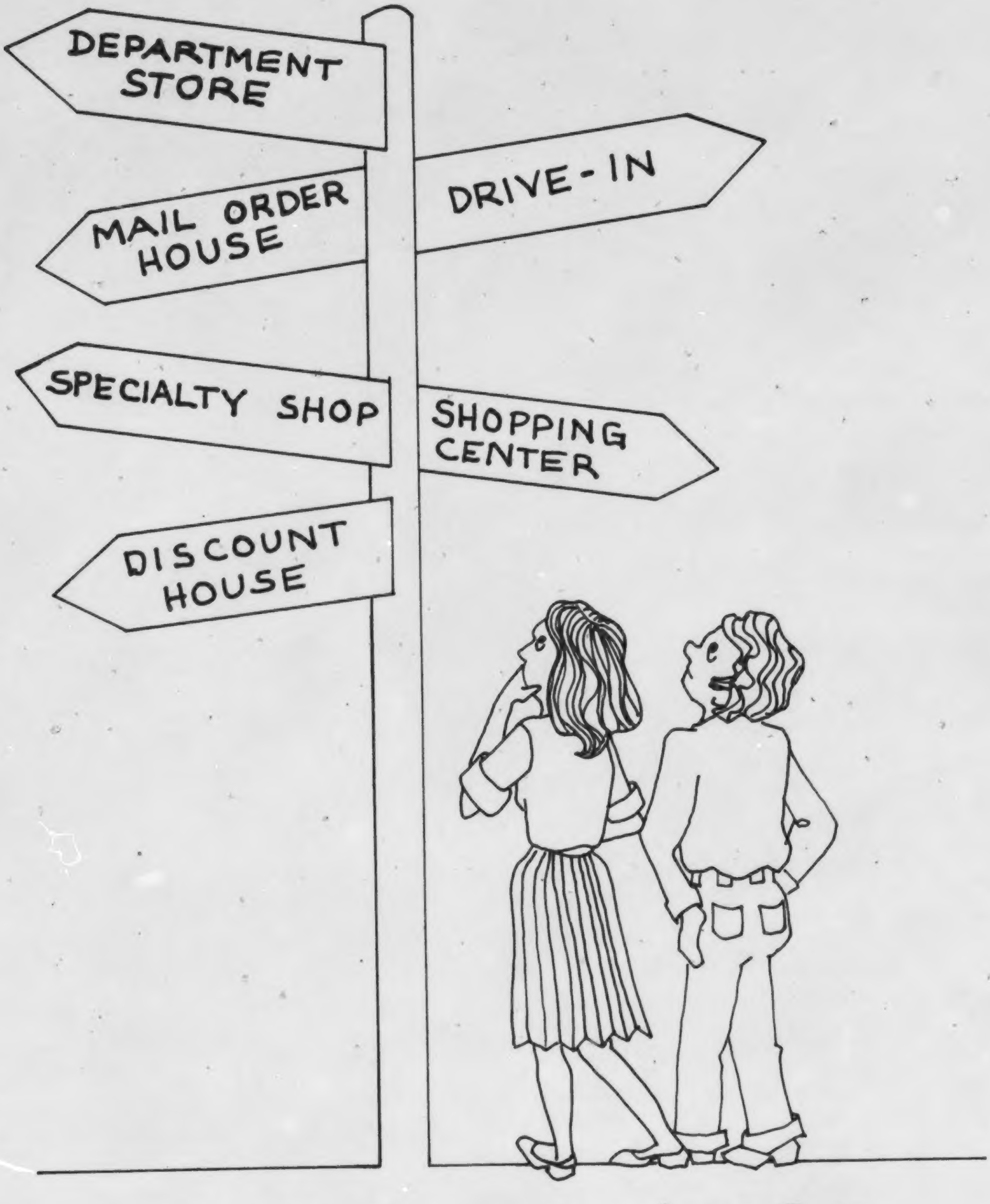

SPECIALS
23¢
15¢ a lb.
SHOP AT FOOD STORE

ADVERTISING


BUYING
Fruits &
Vegetables

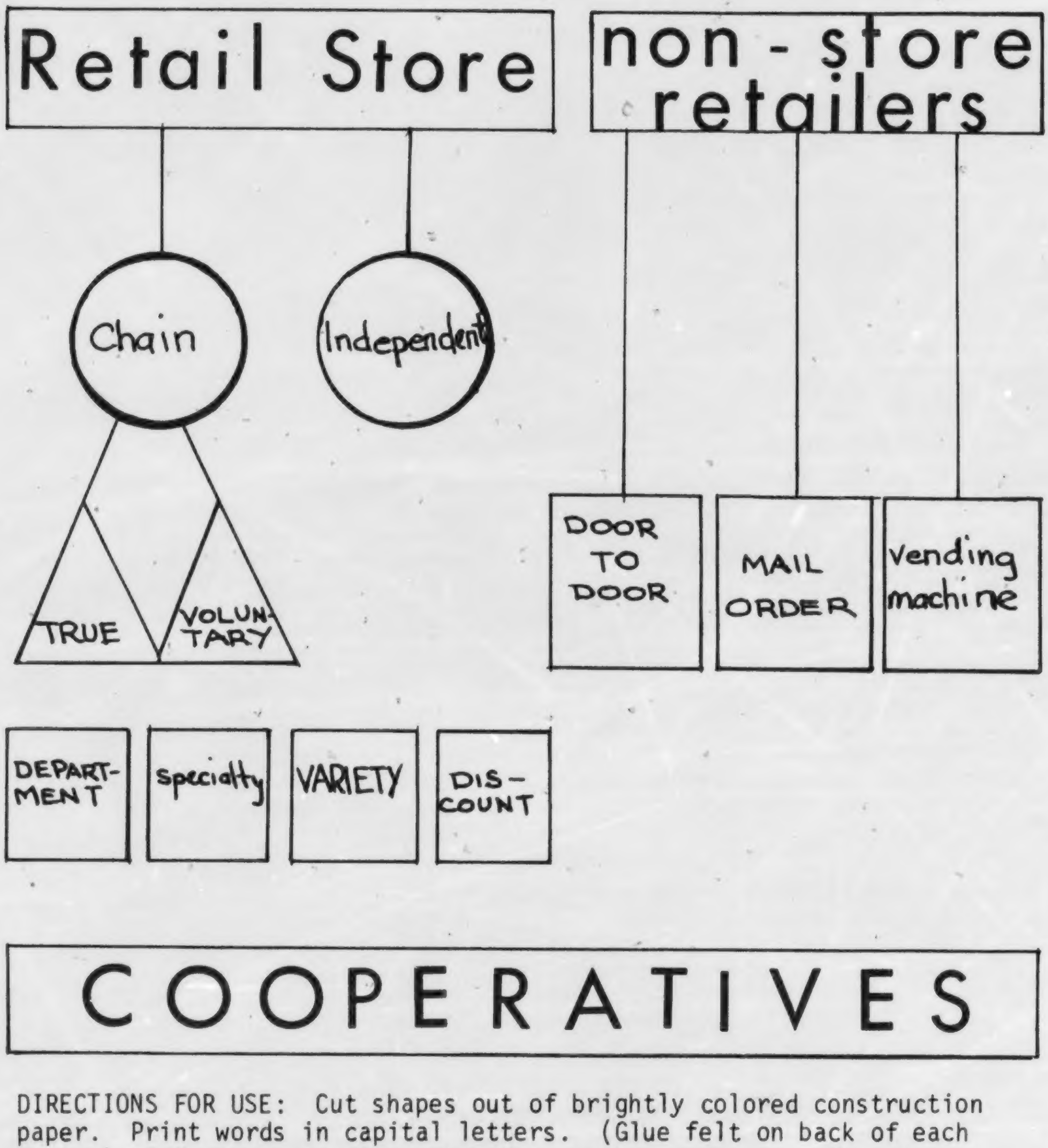
GOVERNMENT BULLETINS

FRIENDS, NEIGHBORS, AND RELATIVES


DEPARTMENT STORE
DRIVE-IN
MAIL ORDER HOUSE
SPECIALTY SHOP
SHOPPING CENTER
DISCOUNT HOUSE

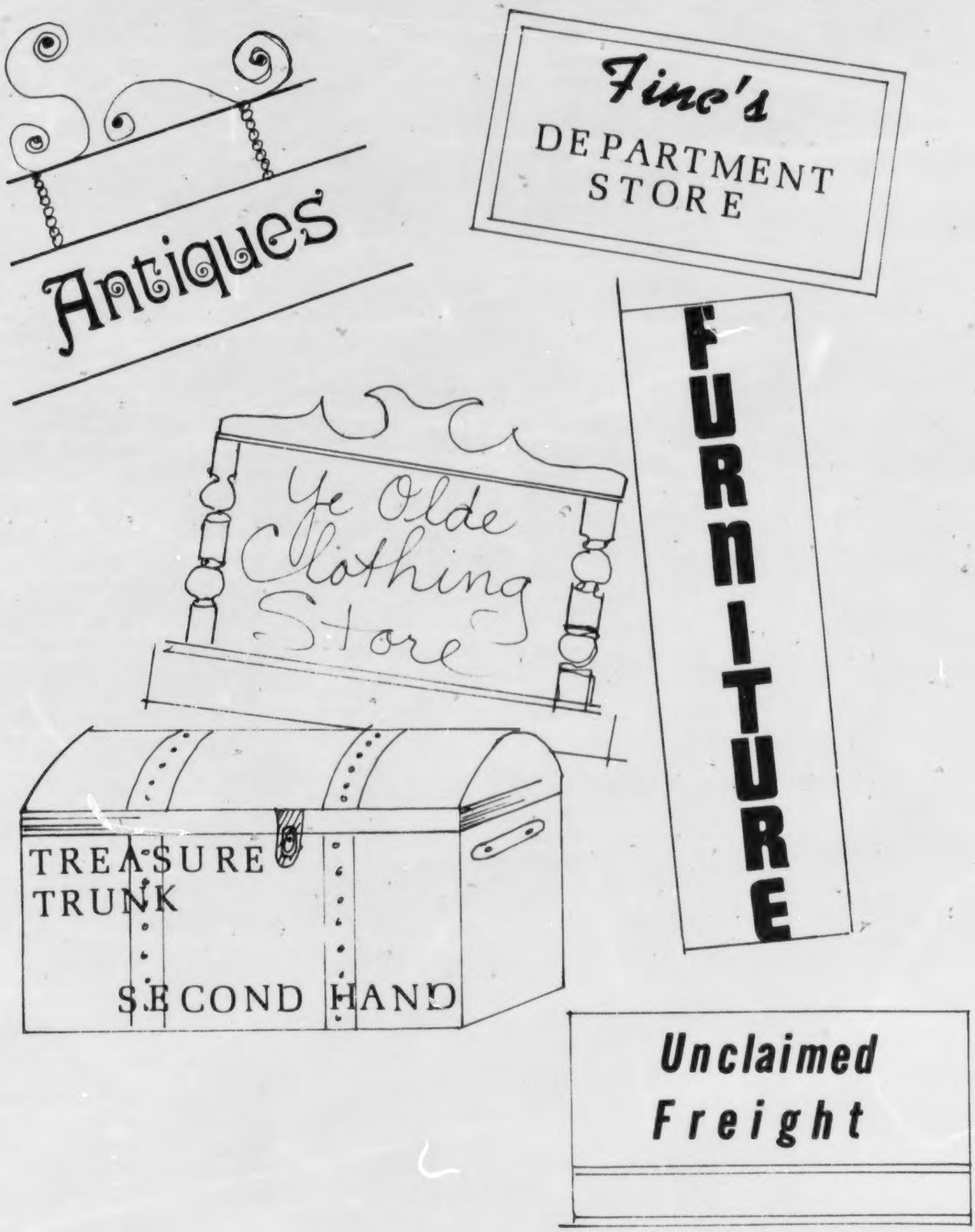
WAY$ TO $HOP

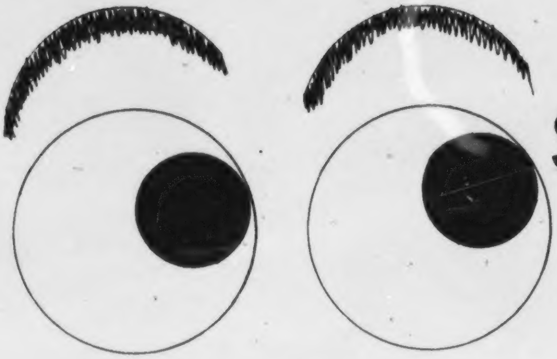
sources of goods and services


Retail Store
non - store retailers
Chain
Independent
TRUE
VOLUNTARY
DOOR TO DOOR
MAIL ORDER
Vending machine
DEPARTMENT
Specialty
VARIETY
DISCOUNT
COOPERATIVES

DIRECTIONS FOR USE: Cut shapes out of brightly colored construction paper. Print words in capital letters. (Glue felt on back of each shape.) Add shapes to flannelboard as each source of goods and services is discussed. Use strings to connect as needed.

A Good Shopper Buys From Reputable Merchants


Antiques
Fine's
DEPARTMENT STORE
FURNITURE
Ye Olde Clothing Store
TREASURE TRUNK
SECOND HAND
Unclaimed Freight



When You Shop Around

LOOK at

Prices
Quality
Features
Guarantees
Tags & Labels

Find out about

Installation
Delivery
Service
Credit

ask Questions

DIRECTIONS FOR USE: Each word or phrase may be lettered on a separate strip of colored construction paper. Add each to flannelboard as discussed.

ROLE PLAY SITUATIONS

Tom Johnson has purchased a set of mag wheels for his car. He hadn't intended to buy them, but the man he rides to work with stopped at an auto parts shop on the way home from work and--Tom came home with the mag wheels. He tells Ellen what he has done and she is very angry. Their son, Tommy, has a hole in his shoes and must have new ones. Ellen has a cavity and must see the dentist.

Mary Garcia is shopping with her friend, Wilma Williams. Mary only planned to buy some new pajamas for her son, Mark, until--she saw the dress in the department store window. It was love at first sight! Now Mary must have that dress, but she debates how she can afford it. Can she skip buying the pajamas for Mark and cut down on groceries?

Julia and Sam Jones were shopping for groceries. There were many attractive displays and stacks of things in the aisles and Julia and Sam stopped to look at them all. He bought chips and dip after a salesperson gave Sam a "taste." Julia picked up a package of candy and some cokes on "special." Then, there were frozen TV dinners with a sign that said, "Give yourself a rest tonight--you deserve it--Buy Frozen TV Dinners." The Joneses hadn't planned to buy any of these things. At the checkstand Sam picked up a couple of magazines and a package of cigarettes. Sam and Julia couldn't believe they had spent $35 more than they had intended!

BARGAIN BUYS
(Handout)

Jane is shopping the January sales. She is planning to look for a casual jacket for herself and for shirts for her husband. The jacket she is now wearing will be worn out by the end of the season and her husband has been short on shirts all fall. Her daughter is about to outgrow all of her clothes, but she should be able to wear them until spring.

Jane finds a jacket in a traditional style for herself. It is on sale for a 25% discount. The jacket is made well, is of good quality materials, and is washable. The color is not Jane's best neutral but will blend with most of her casual wardrobe. Jane decides to purchase the jacket.

She also decides on three shirts for her husband. They are marked down 40%, are of good quality materials, and are permanent press. They are white and have button down collars. Jane knows that button down collars are beginning to go out of style but thinks the shirts are too good to pass up.

Jane stops by the children's department and finds a two-for-the-price-of-one rack with a red velveteen jumper that just fits her daughter. She hunts through the rack and finds a winter school dress that will also fit. Two dresses for the price of one is a real bargain, and Jane is glad she happened to stop by the children's department.

5 Year Moth Damage Guarantee!

We guarantee this 100% Virgin Wool blanket against moth damage for a period of five years form date of purchase. Should this blanket be damaged by moths or carpet beetles during this five year period, return it together with this guarantee to the nearest Retail or Mail Order store and we will replace it with an equal quality blanket, charging you only for the number of months the blanket has been in your possession. All adjustments will be based on the then current selling price of a similar blanket.

GUARANTEE

This Electric Coffee Maker is guaranteed to be free from defects in workmanship and material for a period of one year from date of sale to the user.

Under the above guarantee, the company agrees to repair the appliance, repair or replace defective parts, which may develop under normal and proper use, provided the appliance is kept clean as instructed herewith and is used on the voltage circuits marked on the nameplate, and has not been immersed in water. The company will repair or replace defective parts gratis, under the above guarantee, if returned to the factory prepaid. In the event any defect occurs, write us directly for the name of the service station nearest your home.

Within 10 days, you must fill out and mail enclosed registration card to make this guarantee effective.

Good Guarantees tell:
- what is guaranteed
- limits of guarantee
- length of time
- what the company will do
- what the buyer must do

Poor Guarantees leave questions

Sanforized* Flannel Gown

1. Close Woven Cotton Flannel, Napped Both Sides for Warmth
2. Shrinkage Less than 1%
3. Double Needle Seams
4. 54 Inch Garment Length
5. Cut to Exacting Specifications for Fit and Comfort
6. Satisfaction Guaranteed

what is guaranteed? →

GUARANTEED
A
YEAR

← what will the seller do?

FIELD TRIP
(Handout)

Article Compared:

Store A:

What I found:

Price:

Quality:

Store B:

What I found:

Price:

Quality:

Store C:

What I found:

Price:

Quality:

UNIT IX: BUYING
IX-1: Clothing

OBJECTIVES:

- Define wardrobe planning
- Identify factors influencing the amount of money a family or individual spends on clothing
- State how resources affect the clothing spending plan
- List factors to consider in shopping for clothing
- Give examples of information given on clothing and fabric labels
- Explain how shopping skills in clothing selection can reduce one's clothing costs

VOCABULARY:

- wardrobe
- wardrobe planning
- inventory
- fashion
- style
- ability
- labels
- shopping skills

Shopping for clothing can be rewarding if you know what you want before you go to the stores. If you plan for the items you want you will know what to look for. A plan will help you save time, energy, and money. Your plan will aid you in knowing the type of garment, size, color, and price range you can afford.

Wardrobe planning

A wise consumer plans their wardrobe for themselves and family members. A wardrobe is a collection of clothing and other items such as shoes, jewelry, socks, etc.

A wardrobe that just increases in size either looks unplanned or costs more money than is necessary. There are steps to take that can make your wardrobe planning easier and useful. [Make a visual of the following information.] These steps are:

1) Analyze yourself--do the clothes bring out your best?
2) Consider your values--do the clothes meet your needs and wants?
3) Take an inventory--look at your wardrobe now to decide what is usable "as is" or what can be used after repair or alterations.
4) Decide if you will ever wear the clothing again--if you decide not to keep it, give it away or throw it out as being useless.
5) Bring your present wardrobe up-to-date--this can be done by mending, laundering, or dry cleaning, alterations, or storing.
6) Describe what additions are needed to complete your wardrobe--to do this think of needed garments' appearance, acceptability in society, utility to serve a useful purpose, and quality (or will it last as long as you want it to).
7) Consider the price--is the price of the garment reasonable and within your spending plan?

If you follow these steps, they can help you make wiser and more satisfying choices.

Factors which influence money spent on clothing

The factors which influence how much money a family spends on clothing vary. Income is a factor which influences what you buy. The amount of money you have to spend usually helps you decide what kinds of clothing you will buy. Your occupation and where you live also influence your selections. You usually choose clothing that would meet your personal values. Advertising influences your clothing selection by letting you know what the new styles are and their price range.

Keeping in fashion influences more consumer choices than any of the other factors, except for income. First hemlines are long, then short; pants are flare-legged, then straight-legged; lapels are narrow, then wide; all of which is decided by the latest fashion. Because what is in fashion today may be outdated next month, keeping in fashion may result in unwise choices and wasted money. [Use visual (p. 358) and have participants discuss questions.]

The resources you have for expanding your clothing wardrobe are additional factors which influence your purchases. Besides money, needs, wants, stage in family life cycle, your mobility, and where you live, your ability to make clothing could expand your clothing spending plan. [Have participants discuss the following questions. What types of clothing take the least time to construct? the most time to construct? the least skill? the most skill? How could this information help you decide what items to make and what items to buy ready-made?]

Points to remember when shopping for clothes

Your clothes should bring out your best features and play down your less attractive features. The newest fashion may not always be for you. When you select clothes keep these points in mind:

1) Item you need
2) Price you can afford
3) Quality and construction details of the item
4) Lines, style, and color of the item
5) Fit or size
6) Care the item needs
7) Color fastness
8) Percentage of shrinkage

When you try on an item, walk, sit down, reach upward, crouch down, bend over, and fold your arms. If the item binds, scratches, wrinkles due to tightness, or is generally uncomfortable, keep looking. You want your clothes to look right and be comfortable on you.

Labels on clothing and fabrics

Labels could help you decide whether to buy an article of clothing. They also help you to care for the clothing after you buy it. If you read them, labels can help you be a wise shopper. [Use transparency (pp. 359-360) to summarize points to look for on tags and labels.]

Using your shopping skills

If you use common sense and a few shopping skills when choosing clothing, you could cut down on your clothing costs. [Make a visual of the following information.] When shopping for clothes remember to:

1) Plan your wardrobe
2) Do not buy on impulse
3) Use comparative shopping
4) Consider what you want the clothing for
5) Check the store's policies on refunds and exchanges
6) Examine the item as well as its price
7) Read all labels and instructions for care of the garment
8) Take advantage of clearance and out-of-season sales

Always remember, the clothing you wear influences the impression you make on other people. It tells others how you feel about yourself and what your personality is like. By using these shopping skills you can be satisfied with your selections as well as saving some money on your spending plan.

APPLICATION: Have participants examine several clothing and fabric labels. Discuss how these labels could help in deciding whether to buy an article of clothing and in following proper care procedures after purchase.

Have participants examine examples of garments with good quality features and garments with poor quality features.

Have participants read "Don Selects a Coat" (p. 361), and answer the questions.

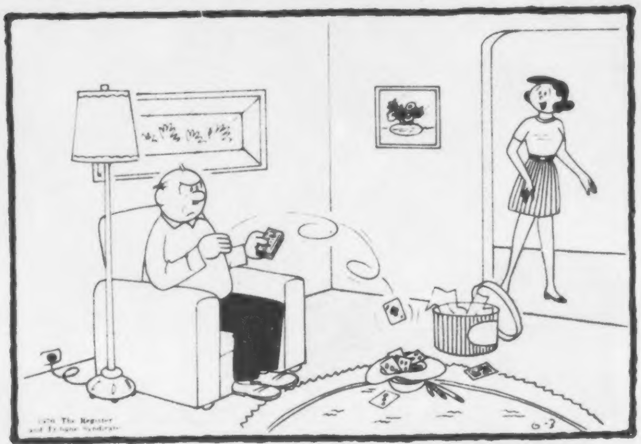
KEY IDEAS: Wardrobe planning can influence one's satisfaction with clothing decisions.

Knowledge of labeling information can help consumers select and maintain clothing.

One's clothing greatly influences the impression one makes on others.

CARTOONS ON CLOTHING VALUES

THE BETTER HALF[1] **By Bob Barnes**



"Oh, I'm so glad you like my new hat, dear!"

OBJECTIVE: To recognize individual differences in clothing values.

Did you ever buy an article of clothing with which you were greatly pleased, only to find that your family members thought it was a ridiculous or most unsuitable purchase? If so, what was it?

What prompted you to buy it?

Did the family's displeasure spoil the pleasure you expected to find in owning and wearing the article?

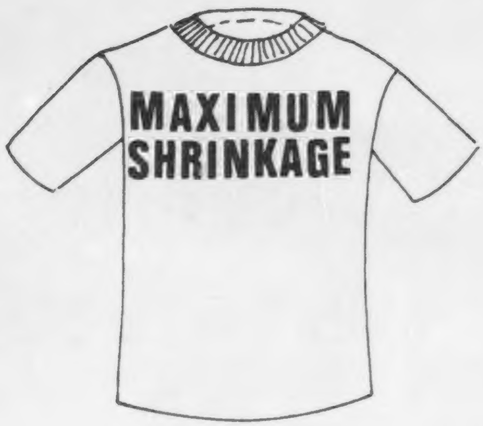
Can you recall ridiculous clothing purchases that your family members have made in the past?

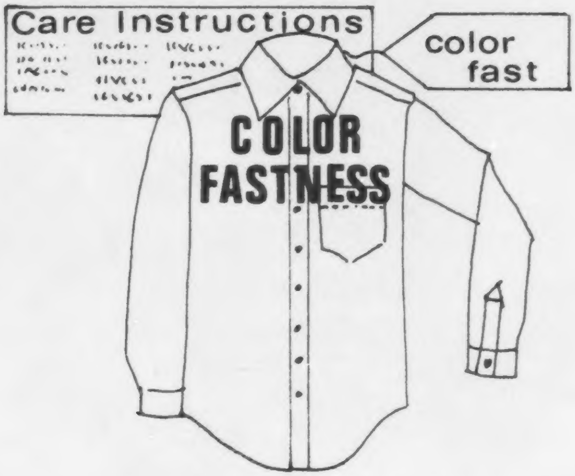
How did you account for these conflicting views regarding what is suitable and what is ridiculous?

---

[1] The Better Half by Bob Barnes by permission of the Register and Tribune Syndicate, Des Moines, Iowa.

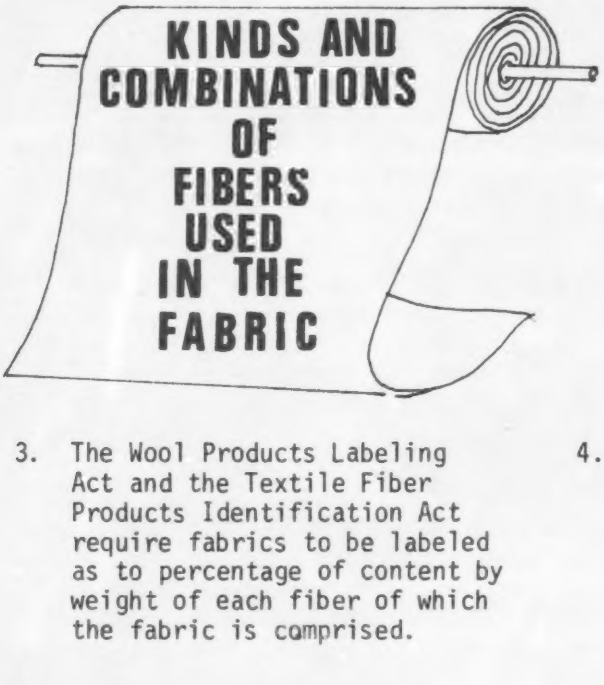
POINTS TO LOOK FOR ON TAGS AND LABELS OF FABRICS AND CLOTHING


MAXIMUM
SHRINKAGE


Care Instructions
color fast
COLOR
FASTNESS

1. Brand name finishes for wool fabrics and the sanforized process for cotton and linen fabrics have proved reliable.

2. Seals or tags of the American Institute of Laundering and statements of manufacturers may be considered reliable.


KINDS AND
COMBINATIONS
OF
FIBERS
USED
IN THE
FABRIC

BRAND NAMES
Nina

3. The Wool Products Labeling Act and the Textile Fiber Products Identification Act require fabrics to be labeled as to percentage of content by weight of each fiber of which the fabric is comprised.

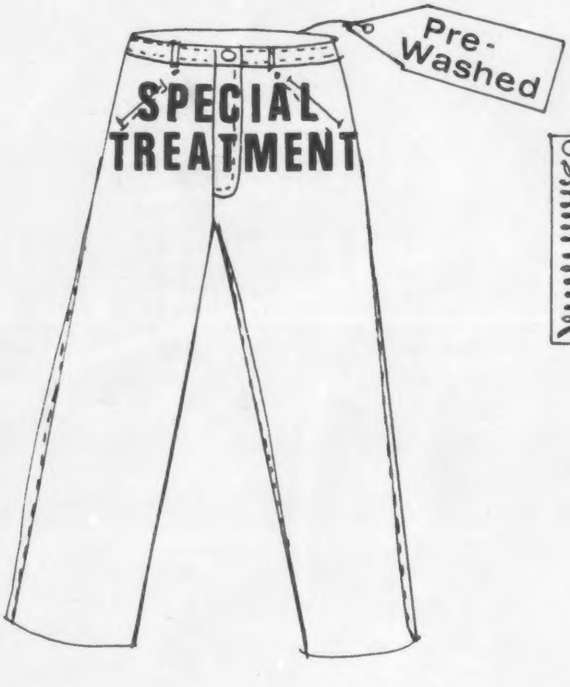
4. Satisfactory experience in using a product may be a factor in selecting the same brand again.

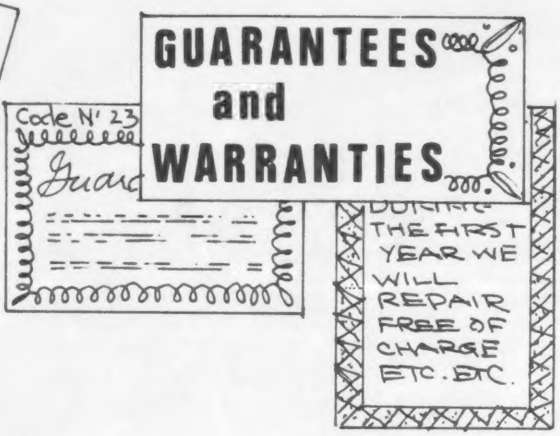
SPECIAL
LABELS

SPECIAL
INFORMATION

5. Look for statements regarding workmanship and methods of processing.

6. Instruction as to washing, ironing, cleaning, pressing, care, strength, resistance to light and heat, stretch and similar characteristics may be helpful.


Pre-
Washed
SPECIAL
TREATMENT


GUARANTEES
and
WARRANTIES
Code N' 23
Guar
DURING
THE FIRST
YEAR WE
WILL
REPAIR
FREE OF
CHARGE
ETC. ETC

7. Has the fabric been treated to prevent stains, repel water, prevent wrinkles, increase the wear, or change the appearance?

8. Manufacturers' statements, if any, should be noted.

DON SELECTS A COAT
(Story)

Use your own paper in responding to the following items:

I. Don is shopping for a new coat. He has a dress coat 2 years old and a corduroy school coat 1 year old. He is going to college next fall and is trying to select a coat that will fit into his college wardrobe. Coat I is the most flattering to his appearance. Coat II is more versatile. Coat III is an all-weather coat. If he chooses Coat I, what values will be most strongly influencing him?

What values (or advantages) will he be giving up if he does not choose Coat II?

What values will he be giving up by not choosing Coat III?

What disadvantages do you see in his choosing Coat I? Coat II? Coat III?

What coat do you think he should choose and why?

Would this be the same coat you would choose to meet the needs of your own wardrobe? Why? If not, which one would you choose and why?

Interview one of your classmates to determine which of the coats he of she would choose and why.

How do you account for this difference in choices?

[NOTE TO TEACHER: Display pictures of three currently fashionable coats that a high school senior might choose. Coat I should be glamorous and, perhaps, impractical. Coat II should be a very attractive coat but more versatile than Coat I. Coat III is an all-weather coat.]

UNIT IX: BUYING
IX-2: Food

OBJECTIVES:

- Identify the basic food groups
- List foods which are included in each group
- Cite the importance of planning menus
- State the importance of making a shopping list
- Explain food labels, standards, and grades
- Apply information of labels or packages to making buying decisions

VOCABULARY:

basic four food groups
menus
shopping lists
labels
standards

standard of identity
standard of quality
standard of fill
grades

Because food is something we all must buy, it is a good place for us to practice planning. Having healthy, well-fed families is probably a goal for all of us, but it takes planning to reach this goal. In order to have a well-fed family we must plan to serve the right foods to keep them healthy.

Food groups

To be sure we are choosing the right foods, we can divide our foods into four basic food groups and then be careful to serve the right number of foods from each group every day. [Use visual (p. 369).] The groups of foods are: the meat group, the vegetable-fruit group, the bread-cereals group, and the milk group. The foods in each of these groups are important for keeping your family healthy and full of energy.

Let's look at foods which are included in each group. The meat group includes poultry, beef, veal, lamb, and pork. It also includes variety meats like liver, heart, and tongue. Luncheon meats, bacon, salt pork, and mixtures that are mostly meat are also included, as well as fish, shell fish, and eggs. The meat group also includes some foods which are not meat. They are included because they do many of the same things that meat does to keep your family healthy. These foods include: dry beans of all kinds, dry peas, lentils, soybeans, and soya products, peanuts, peanut butter, and tree nuts. Soups that are mostly legumes--like bean soup or split pea soup--are also included. [Place pictures of a number of these foods on the visual.] Your family needs two or more servings from the meat group each day. The meat group is our chief source of protein, which is needed for growth and repair of body tissues--muscles, organs, blood, skin, and hair. It also provides vitamins and minerals.

Because it is important to have some of the foods in the fruit and vegetable group every day and some only every other day, we can divide the group so we can be sure we are planning to have enough of these foods. We need to serve a dark green or deep yellow vegetable at least every other day. These vegetables give us Vitamin A, which is important for good eyesight. Let's see how many dark green or deep yellow vegetables we can name: (broccoli, chard, collards, kale, spinach, other dark greens, green peppers, carrots, pumpkin, yellow winter squash, sweet potatoes) [Put examples of these on the visual.]

We need citrus fruit or tomatoes, which supply Vitamin C, every day for strong bones and teeth. Examples include grapefruit, lemons, limes, oranges, tangerines, and tomatoes. Put pictures of these on the visual.

We also need other fruits and vegetables, including potatoes, for color, food value, and variety. Here we include all the fruits and vegetables which don't fit into the other two categories. We need four or more servings of fruits and vegetables each day.

To provide the pep and energy we need each day, we need foods in the bread and cereals group. This group includes breads, cooked cereals, ready-to-eat cereals, cornmeal, crackers, flour, grits, macaroni and spaghetti, noodles, rice, rolled oats, and quick breads and other baked goods if they are made with whole grain or enriched flour. It takes four or more servings daily to provide the energy we need.

Another important group of foods are found in the milk group. This group is our major source of calcium, which is also needed for building strong bones and teeth. It also provides high-quality protein, riboflavin, Vitamin A, and many other nutrients which help to keep our bodies strong and healthy. The milk group includes milk in all forms--whole, skim, buttermilk, dry, evaporated, condensed. It also includes cheese, cream, and ice cream, which are made from milk, as well as other foods which are mostly milk, such as puddings and custards. The number of servings a person needs varies with age, during pregnancy, and when a mother is breast feeding her baby.

We also need some fats and oils each day. Some sugars and sweets may also be included. These add little to our diet except energy. Then, there are a few things in our diets which do not fit anywhere else, like tea and coffee, which we may put in the "other" category. Give some suggestions for low-cost selections in each food group. Let participants name their favorite foods in each group.

Planning menus

In addition to knowing the number of servings needed daily in each of the food group, we also need to try to plan for variety in temperature, color, flavor, and texture in our meals. This means having some hot foods, some cold foods, and some in between, but not all hot foods or all cold foods or all in between in each meal. Foods in one meal should include a variety of colors, such as red, yellow, green, and brown, instead of all being one color. Some foods may be sweet, some may be sour, some may be rich, but they should not all be the same. Texture should be considered also, i.e., some foods are crunchy, like raw cabbage; some are chewy, like caramels; soft, like pudding; or liquid, like milk.

Consider yourself, too. Don't plan all foods that take a lot of time and effort for the same meal. If your schedule is particularly busy on a certain day of the week, plan foods that are easy to fix or that may be made ahead of time.

Now let's try planning menus for one day, for a family with two children ages 8 and 11. [Use visual (p. 369).]

Let's begin with breakfast as this meal follows more of a set pattern than other meals. What shall we have? (Fruit, or fruit juice, cereal, milk, bread and butter or margarine, eggs or breakfast meat for variety.) Next we will plan the light meal of the day. This is called lunch if it is the noon meal and supper if it is the evening meal. It often consists of soup, fresh fruit, salads, sandwiches, or one-dish casseroles, quick bread, dessert, and beverage. [Place Dairy Council food models or pictures of foods planned for each meal in the correct basic food group category under that meal. Be sure to include foods for all ethnic cultures.] NOTE: Not all families follow the three-meal pattern, so it is important to know your group and their usual eating patterns.

The heaviest meal of the day, whether served at noon or at night, is known as "dinner." Menus for dinner usually include a main dish, which may be meat, fish, poultry, or other protein-rich food from the meat group. In addition, there should be one or more vegetables. As in luncheon menus, dinners may also include soups, salads, breads, and desserts. Let's decide on foods for our dinner. [Place pictures of these foods on the visual.] Now, let's see if we have included enough servings in the different food groups and change our menu where needed.

Let's see if the meals we have planned have variety. (Consider temperature, color, flavor, and texture separately and make changes as needed.)

Shopping for groceries

How often do you shop for groceries? Most people shop once a week for most things and buy small items like bread and milk as needed. Just for practice, let's make a shopping list for the day's menu we have planned. Let's begin with the meat group. [Follow through for all groups until everything has been considered. Items likely to be on hand, like flour, sugar, salt, pepper, and spices, need not be included.]

In planning menus for a whole week, first check to see what you have on hand that may be used next week. Then, check the newspaper and grocery circulars to see which foods are good buys for the week. You will probably find it easiest to plan dinners around the meat dish which you choose. Next add fruits and vegetables which are in season or which are good buys for the week. Add foods in other food groups until you have enough for the required number of servings in each group each day, including snacks. Next, check the meals you planned for variety of temperature, color, flavor, and texture. Make any changes needed. Now you are ready to make your shopping list.

Shopping lists

A shopping list is easiest to follow if it is written in the same order that you will find the items in the store. List each item you need and the amount you need. If you are buying a brand that is on special or need a certain size can, you might jot that down on your list, too. Be sure to check recipes for items and amounts needed. Also, check your supply of staples like flour, sugar, salt, pepper, spices, etc. or, better yet, keep a list handy during the week to write down these things as you run out or discover you are low on them.

Food labels

Labels are probably the most important and helpful buying guide available to consumers. The law requires that labels tell the consumer what they are getting. Labels must be truthful and they must be clear. They sometimes also tell us how to use and care for a product and how to guard against possible misuse. We can understand, then, why the wise shopper always reads the label.

A label must have certain information on it. [Use transparencies (pp. 370-373) to point out each part on sample labels.] It must always list the following information:

1) The common name or usual name of the product (like green lima beans).
2) The amount of the contents (like 1 lb. 2 oz. or 18 oz.).
3) The name and place of business of the manufacturer, packer, or distributor (like Canners, Inc.).
4) The label on any food (except standardized foods) made of more than one ingredient must list each ingredient by its common name and in order of its predominance in the food (like water, noodles, chicken, salt in chicken-noodle soup).
5) Any artificial coloring, artificial flavoring, or chemical preservatives must be listed, except when used in butter, cheese, or ice cream).
6) If vitamin content is printed on the label, the label must also state the percentage of the minimum daily requirement of the vitamin that a reasonable daily amount of the food will furnish.
7) If other value as a special dietary food is claimed, the label must give the information necessary for the intelligent use for that special dietary purpose.
8) The label on some canned fruits and vegetables must list the style or pack (whole, diced, etc.), the variety (white, or yellow corn, for example), and the packing medium (brine, oil, sugar, syrup, etc.).
9) If the food does not meet certain established standards, this fact mnst be clearly stated on the label (over-ripe, irregular pieces).

In addition, the container must not be misleading. Even though the correct quantity of the contents is on the label, the product must fill the package.

[Give participants handout (p. 374) and labels from cans or boxes of foods. Ask them to find each of these required parts. Let participants explain in their own words how they could use this information in deciding which brand to buy.]

Standards and grades

A food standard is something like an official recipe for a certain food. It means that all brands of a standardized food must contain the important ingredients the consumer is entitled to expect in the amount or proportions expected. Many basic foods have been standardized by government regulations.

If a food is standardized, this means that no matter which brand of that food you buy, you will be sure you are getting the same food value for your family. Different brands may vary as to flavor, texture, or some other factor controlled by optional ingredients permitted by the standard.

Knowing that a food is standardized can help you when you shop. Since you are sure that all the brands available will be equally nutritious for your family, you know that you will be safe if you choose the least expensive buy. Sometimes you may prefer one particular brand, but it still is nice to know that the basic ingredients and nutritional quality of all brands are the same. Examples of standardized foods are macaroni, noodles, mayonnaise, and salad dressing. This kind of standard is called a standard of identity. [Show examples of some of these foods.]

Minimum standards of quality also have been set for most canned fruits and vegetables to assure that the quality will not fall below what buyers have a right to expect. A standard of quality would assure you that the peaches you buy in a can will not be badly bruised, or that the green beans will not be damaged by rust spots. If the quality of a food falls below the minimum required by the standard, special labeling must tell the purchaser of this fact. An example would be peaches which are over-ripe and in irregular pieces. [Show examples of some of these foods.]

Another kind of standard is called standard of fill. This means that you should not find a large can of tuna which contains more oil than tuna. It also means that you can be sure of getting about the same amount in each can you open. Standards of fill have been set for foods such as canned shrimp and oysters, canned tuna, and a number of canned fruits and vegetable products. [Show examples of some of these foods.]

Grades

The quality of some food products is indicated by a grade label. Beef, lamb, butter, poultry, and eggs are the products most likely to carry the USDA (United States Department of Agriculture) grade shield. Usually the food also has a grade given to it--such as U.S. Grade A or AA, or (for meat) U.S. Choice--which means it measures up to a definite standard of quality, as determined by a government grader who has examined it. You can be sure that it is clean and wholesome.

[Show grades for different foods and grade tags from foods, using transparency (p. 375).]

One important thing to know about food grades is that different grades do not differ in food value. All grades are equally nutritious. Meat grades, for example, indicate only such characteristics as tenderness, juiciness, and flavor. Low grades take longer to cook; high grades cost more to buy. But, remember all grades provide the same amount of food value. Canned fruits and vegetables are graded on the basis of their size, color, and degree of ripeness. All grades are equally wholesome.

How, then, do you decide which grade to buy? First, decide how the product will be used. Then you will know which grade to buy. If the appearance of the product is most important, as when you use peaches in a salad, a high grade is a good choice if you can afford it. If peaches are to be cut up or mashed, a lower grade would be a good choice, and would cost less. All grades are equally nutritious, however.

What grades would you buy if you wanted to save money on your food budget? (The lower ones.) Why? (They are cheaper.)

[Let participants compare several grades of the same food so they will understand the differences between them.]

APPLICATION: Here is a menu for a week (pp. 376-379). Let's practice making a shopping list for it. Work together as a group, using the chalkboard. [Have newspapers and cookbooks handy for references. If there is a question about which group a food belongs in refer to the chart (pp. 376-379). Simply lay the menu page over the chart with food groups extended. The Suggested Shopping List (p. 380) may be a helpful reference for the teacher. Menu planning pages (pp. 381-382) may be distributed to participants, so they may plan their own menu.]

KEY IDEAS: An efficient consumer makes preliminary buying plans before entering the market place.

Spending a large amount of money on food does not necessarily mean a well balanced diet.

Careful planning and comparative shopping can help consumers lower food costs and reduce impulse buying.

Food product advertisements can help consumers plan purchases.

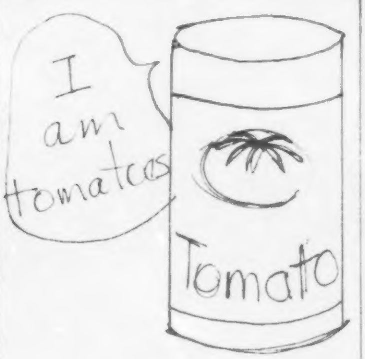
The consumer benefits from laws and regulations concerning pricing, labeling, packaging, and content.

BASIC FOOD GROUPS
(Poster)

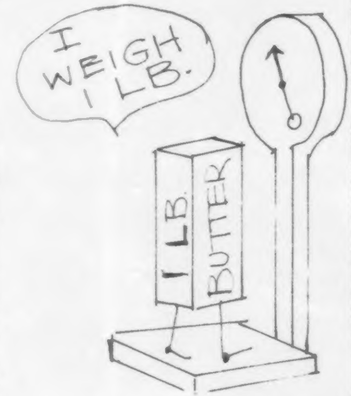
Directions: Use the left side of a large poster to list names of food groups. Show pictures of a variety of vegetables, meats, etc. in each group. Divide other side of poster into meal columns for planning one day's menus. Use pictures of different foods to get participants to help plan menus for one day. Right side may be flannel board. Participants may check their menus by counting the total servings in each group.

Meat Group: 2 or more servings	Breakfast	Lunch or Supper	Dinner	Snacks
Vegetable-Fruit Group: 4 or more servings				
Bread-Cereal Group: 4 or more servings				
Milk Group: Some milk				
Fats and Oils				
Sugars, Sweets				
Other				

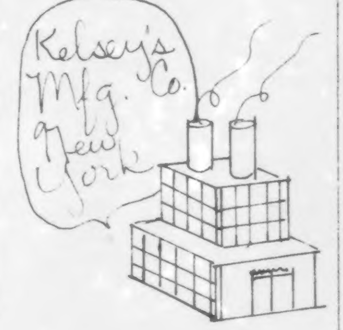
LOOKING at Labels


I am tomatoes
Tomato

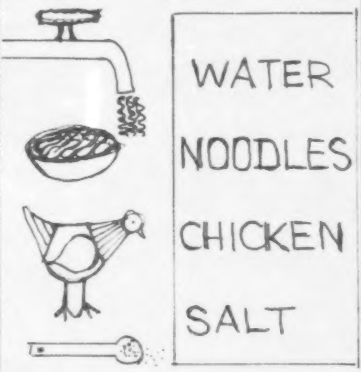
Common or usual name


I WEIGH 1 LB.
1 LB. BUTTER

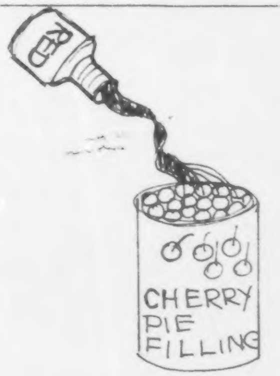
Amount of contents


Kelsey's Mfg. Co. New York

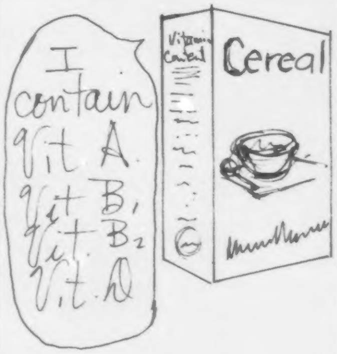
Name and address of manufacturer, packer, or distributor


WATER
NOODLES
CHICKEN
SALT

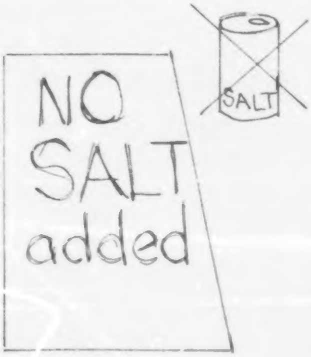
Contents


RED
CHERRY PIE FILLING

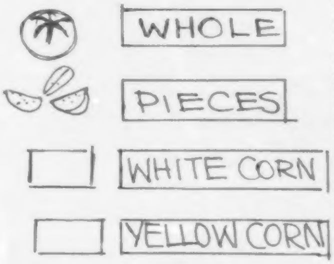
Artificial coloring, artificial flavoring, or chemical preservatives


I contain Vit. A. Vit. B1 Vit. B2 Vit. D
Vitamin Content
Cereal

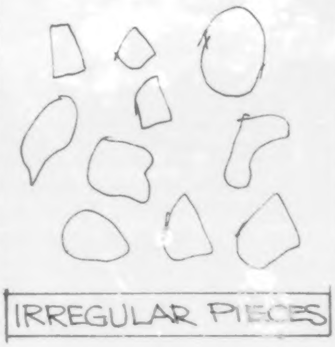
Vitamin content


NO SALT added
SALT

Dietary information


WHOLE
PIECES
WHITE CORN
YELLOW CORN

Style or pack, variety or packing medium


IRREGULAR PIECES

Failure to meet standards

Packing medium

Ingredients

GOLD AGE
PORK & BEANS IN TOMATO SAUCE

**To serve hot
remove to
saucepan and heat**

GUARANTEED BY
★
LADIES
MAGAZINE

★

★

A Quality
Product made
in F&V's
own modern
GOLD AGE
Food Kitchen

pork and

BEANS

IN TOMATO SAUCE

Net Wt. 1 Lb.

The Great
Fruit &
Vegetable
Company
NY, NY
Distributor

The contents of this can are made of pea beans, the best variety for this product, cooked in a savory tomato sauce, with pork, and spiced just right.

THIS CAN OF GOLD AGE BEANS IS:

Variety--with tomato sauce and pork

Size--Medium pea beans

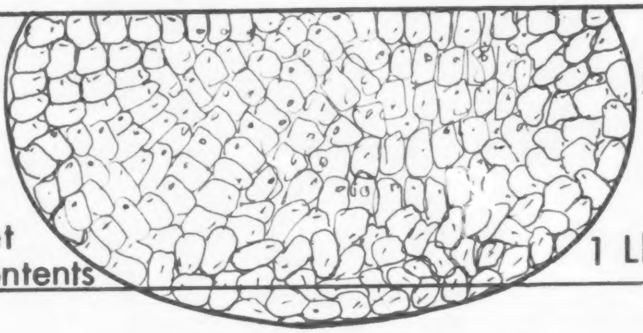
Contents-- 1 lb.

Servings--2 or 3

TENDER COOKED

Common or usual name

Amount of Contents



net contents

BEST
CANNER'S
QUALITY

1 Lb. Avoir.

CANNER'S
whole kernel
GOLDEN CORN

CANNER'S food facts

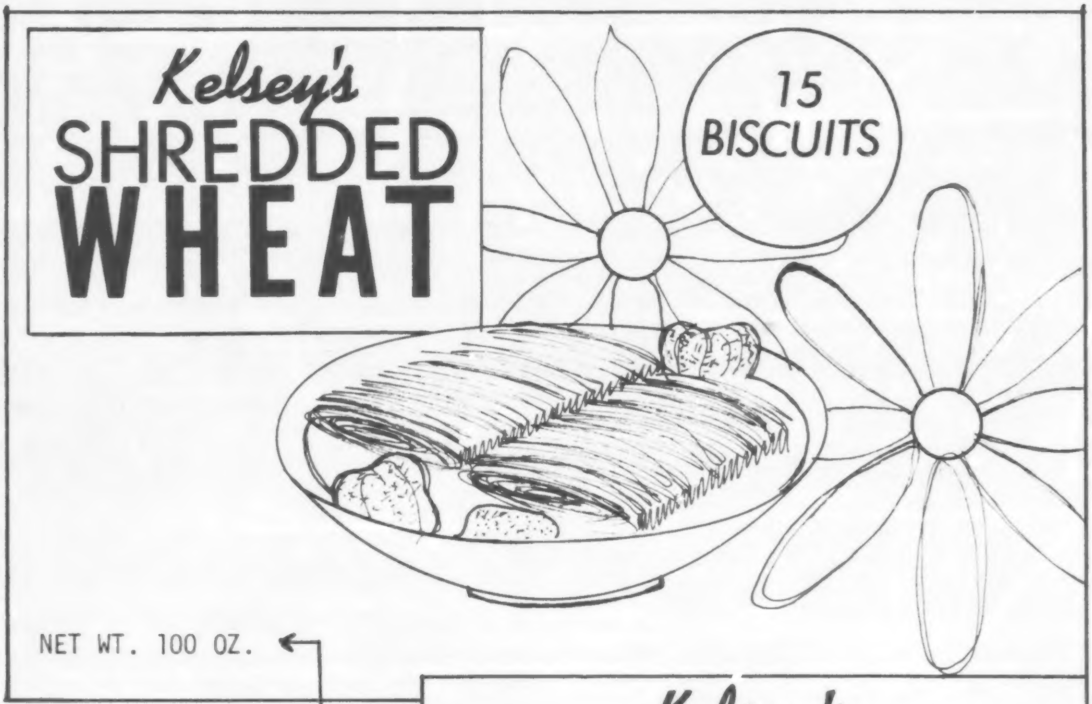
REG. U.S. PAT. OFF.

Product name → Grade A (Fancy) Whole Kernel Golden Sweet Corn

CANNER'S Whole Kernel Sweet Corn is garden fresh, flavorful, and delicious. Kernels are young and tender, yet well developed with tempting natural golden color.

Serve the contents of this can piping hot with a generous amount of butter. For variety combine CANNER'S Whole Kernel Corn with delicious CANNER'S Lima Beans or CANNER'S Green Beans for new taste treats.

Variety	Variety	Golden Sweet
Style	Type	Whole Kernel
Ingredients	Seasoning	Sugar and Salt Added
	Size of Can	303
Amount of Contents	Contents	1 lb.
	Cups	Approx. 2
	Servings	4



Amount of contents

Product name

Kelsey's
Shredded
WHEAT

100% WHOLE WHEAT

NOTHING TAKEN AWAY
NO SALT ADDED

Dietary claim

Ideal for Low Salt Diets
Each biscuit contains 70 calories.

Vitamin content

Two bowl-size biscuits provide this share toward minimum daily adult requirements: 16% Phosphorous, 12% Iron, 13% Niacin. 100 grams of Kelsey's Shredded Wheat Biscuits contain 1 milligram of sodium, and two Kelsey's Shredded Wheat Biscuits contain 1 milligram of sodium. BHT added to packaging material to preserve product freshness.

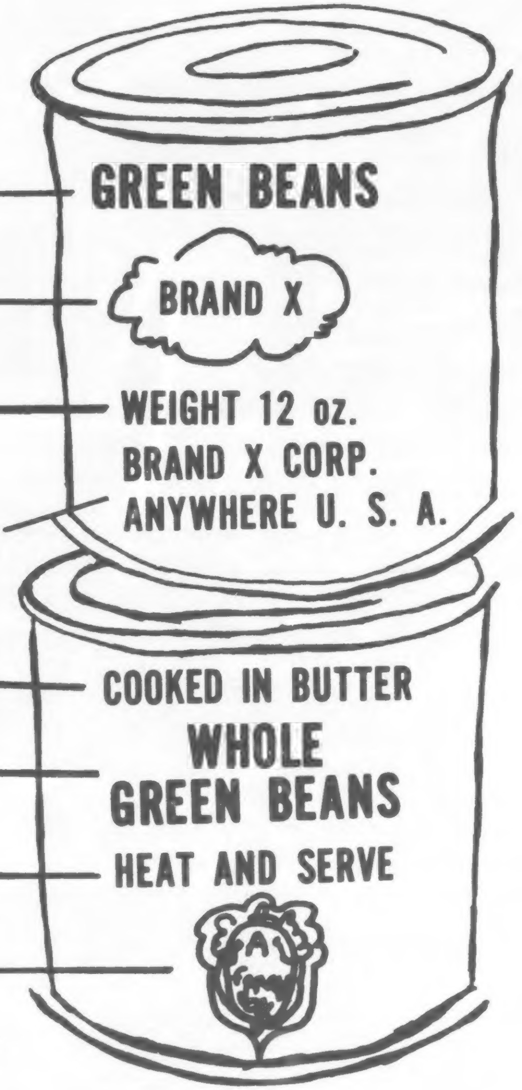
Chemical preservatives

Name and address of manufacturer

MADE BY KELSEY COMPANY
SOMEWHERE, MICH. 49076, USA

A GOOD FOOD LABEL TELLS[1]

1. NAME OF PRODUCT
2. BRAND NAME
3. WEIGHT OF CONTENTS
4. NAME AND ADDRESS of MANUFACTURER
5. ADDITIVES
6. DESCRIPTION of PRODUCT
7. INSTRUCTIONS for USE
8. GRADE—IF GRADED


GREEN BEANS
BRAND X
WEIGHT 12 oz.
BRAND X CORP.
ANYWHERE U. S. A.
COOKED IN BUTTER
WHOLE
GREEN BEANS
HEAT AND SERVE
A

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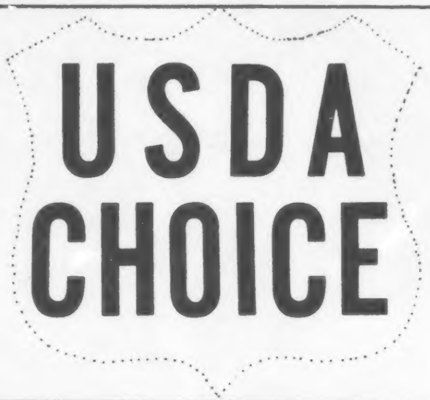
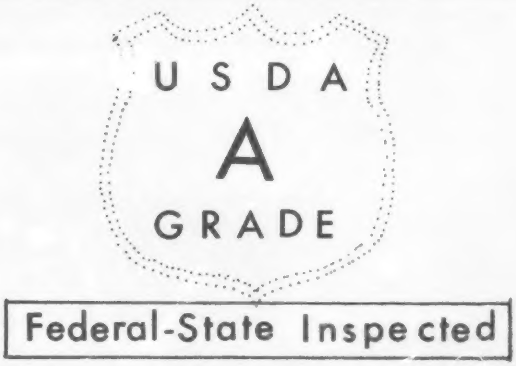
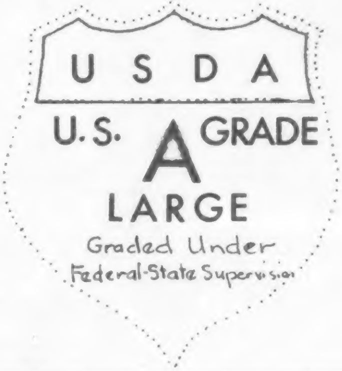
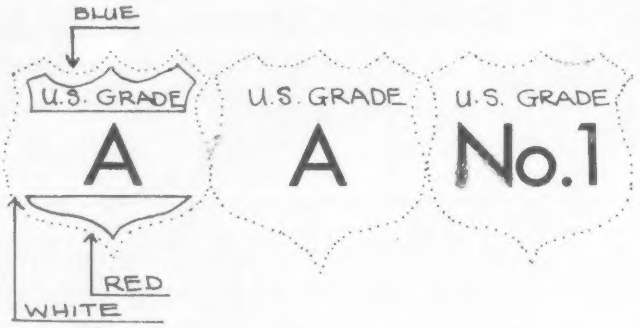
[1] Reprinted by permission from Vocational Education Media Center, Clemson University and Office of Vocational Education, State Department of Education, Columbia, South Carolina.

 USDA CHOICE	**Meat** • BEEF • LAMB • MUTTON • CALF • VEAL • YEARLING MUTTON
 USDA A GRADE Federal-State Inspected	**Poultry** • FRYERS, BROILERS • STEWING CHICKENS • TURKEYS • DUCKS • GEESE • GUINEAS
 USDA U.S. GRADE A LARGE Graded Under Federal-State Supervision	**EGGS**
 BLUE U.S. GRADE A RED WHITE U.S. GRADE A U.S. GRADE No.1	**FRESH FRUIT & Vegetables**

Sunday				Monday			
Breakfast	Lunch or Supper	Dinner	Snacks	Breakfast	Lunch or Supper	Dinner	Snacks
Scrambled eggs	Cheese sandwiches	Creamed chicken			Peanut butter sandwiches	Chicken & cheese casserole	
		Carrots					
Juice				Juice			
Potato cakes	Peaches	Mashed potatoes Green peas Apple pie			Celery Apple pie	Green beans Peaches	
	2 slices bread	Biscuits		Bulghur Toast	2 slices bread	Rice Bread	
Milk* for children	Hot cocoa	Milk* for children In creamed chicken		Milk	Milk	Milk for children	Milk for children
Margarine		Margarine		Margarine			
Coffee		Tea		Coffee		Tea	

Tuesday				Wednesday			
Breakfast	Lunch or Supper	Dinner	Snacks	Breakfast	Lunch or Supper	Dinner	Snacks
	Bean soup	Bean soup Canned meat patties			Peanut butter	Chopped meat	
		Greens				Greens	
Juice				Grapefruit			
	Celery Apple	Corn		Raisins	Potato salad	Potato salad Apple	
Pancakes	Cornbread	Bread Peanut Butter cookies		Oatmeal Toast	2 slices	Cornbread	
Milk for children	Milk	Milk for children	Milk for children	Milk	Milk Cheese toast	Milk* for children	
Margarine				Margarine		Margarine	
Syrup							
Coffee		Tea		Coffee		Tea	

Thursday				Friday			
Breakfast	Lunch or Supper	Dinner	Snacks	Breakfast	Lunch or Supper	Dinner	Snacks
	Bologna sandwiches	Baked beans			Beans	Fried fish	
Oranges				Oranges			
Raisins* Banana	Potato soup Banana	Cabbage-carrot salad			Raisins	Mashed potatoes Coleslaw	
Grits Left-over cornbread*	2 slices bread	Biscuits		Pancakes	Cornbread Rice pudding w/ raisins	Bread	
Milk	Milk	Milk for children Chocolate pudding		Milk	Milk	Milk for children	Milk for children
Margarine							
				Syrup			
Coffee		Tea		Coffee		Tea	

Saturday

Breakfast	Lunch or Supper	Dinner	Snacks	Breakfast	Lunch or Supper	Dinner	Snacks
	Peanut butter sandwiches	Tomato-meat sauce on rice					
	Raw carrot						
Oranges		Tomatoes in meat sauce					
		Prunes					
Oatmeal Toast	2 slices bread Coffeecake	Rice Coffeecake					
Milk	Milk	Milk for children					
Margarine							
Coffee		Tea					

FOOD USED IN THIS WEEK'S MEALS
Amounts for family of 4
(Handout)

Meat Group

Chopped meat	1 can (1 lb, 14 oz.)
Chicken	1 can (3 lbs., 2 oz.)
Ground beef	1 lb.
Bologna	1/2 lb.
Fish fillet	1 lb.
Scrambled egg mix	9 oz.
Eggs, fresh	9
Dry beans	2 lb.
Peanut butter	1 lb.
Dry split peas	1/2 lb.

Vegetable-Fruit Group

Juice	1 can (4 oz.)
Tomatoes	1 can (16 oz.)
Potato flakes	1 lb.
Raisins	1 lb.
Dried prunes	1/2 lb.
Apples	3 lbs.
Bananas	1 lb.
Oranges	6
Grapefruit	2
Cabbage	2 lbs.
Carrots	2 lbs.
Celery	2 lbs.
Greens	2 lbs.
Onions	1 lb.
Potatoes	5 lbs.
Peaches	1 can (29 oz.)
Green beans	1 can (16 oz.)
Green peas	1 can (16 oz.)

Bread-Cereals Group

All-purpose flour	5 lb.
Rolled oats	1-1/2 lb.
Cornmeal	2-1/2 lb.
Rice	1-1/2 lb.
Bulghur	1/2 lb.
Grits	1/2 lb.
Enriched white bread	6-1 lb. or 4 1-1/2 lb. loaves

Milk Group

Nonfat dry milk	4 lb.
Cheese	1-1/2 lb.
Evaporated milk	2 14-1/2 oz. cans

Other Foods

Butter	1-1/4 lb.
Lard	1 lb.
Margarine	1 lb.
Salad dressing	1/2 pt.
Corn syrup	1 pt.
Sugar, granulated	2-1/4 lb.
Coffee	2/3 lb.
Tea	
Cocoa	
Seasonings	

These menus were planned for a family consisting of father; mother; boy, 11 years old; girl, 8 years old.

BASIC FOOD GROUPS
(Handout)

FOOD GROUPS	FOODS INCLUDED
Meat Group: 2 or more servings (meats, poultry, fish, eggs, dry beans, peas, and nuts)	Beef, veal, lamb, pork. Variety meats such as liver, heart, tongue. Luncheon meats, bacon, salt pork; also mixtures that are mostly meat. Poultry. Fish and shellfish. Eggs, including those used in cooking. Dry beans of all kinds, dry peas, lentils. Soybeans and soya products. Peanuts, peanut butter, and tree nuts. Soups that are mostly legumes.
Vegetable-Fruit Group: 4 or more servings, including-- a dark-green or deep-yellow vegetable for Vitamin A (At least every other day)	Broccoli, chard, collards, kale, spinach, other dark greens, green peppers. Carrots, pumpkin, yellow winter squash, sweet potatoes.
Citrus fruit or tomatoes for Vitamin C (daily)	Grapefruit, lemons, limes, oranges, tangerines. Tomatoes.
Other fruits and vegetables including potatoes	Asparagus, beets, brussels sprouts, cabbage, cauliflower, celery, corn, cucumbers, green lima beans, snap beans, lettuce, okra, onions, peas, rutabagas, sauerkraut, summer squash, turnips. Apples, bananas, berries, cherries, dates, fits, grapes, melons, peaches, pears, plums, prunes, raisins, rhubarb. All vegetables and fruits not included in other groups. Potatoes, fresh and processed.
Bread-Cereals Group: 4 or more servings (Flour, bread, cereal, baked goods)	Flour and meal. Cereals, including ready-to-eat cereals. Rice, grits. Noodles, macaroni, spaghetti. Bread, cake, other baked goods. Mixtures that are mostly grains.
Milk Group: Some milk. Cheese and ice cream can replace part of the milk. Children, 3 to 4 cups; Teenagers, 4 or more cups; Adults, 2 or more cups	Milk--Whole, skim, buttermilk, dry, evaporated, condensed. Cheese; cream, ice cream. Pregnant women, 4 or more cups Nursing women, 6 or more cups
Fats and Oils	Butter, margarine, mayonnaise, salad dressing, salad and cooking oils, drippings, fat, lard, and other shortening, suet.
Sugars, sweets	Sugar (beet and cane), granulated, powdered, brown; maple sugar. Molasses, syrup, honey, candy. Jams, jellies, preserves. Powdered and prepared desserts.
Other	Coffee, tea, or other foods that do not fit anywhere else.

Breakfast	Lunch or Supper	Dinner	Snacks	Breakfast	Lunch or Supper	Dinner	Snacks

UNIT IX: BUYING
IX-3: Housing and Home Furnishings

OBJECTIVES:

List the advantages and disadvantages in buying and renting a home or apartment
Identify factors which influence housing selections
Give examples of furnishings and equipment needs of families and individuals
Describe factors to consider in selecting furnishings and equipment

VOCABULARY:

permanence
prestige
security
investment
fixed housing cost
mobility
long-term debt
market change
initial cost
appliance repair shop
thrift stores
auctions
liquidations
refinishing
reupholstering

One of the biggest decisions you can make as a consumer is whether to buy or rent your home. Around 60% of American families own or are buying their homes. Others are waiting for the day they have enough money to put a down payment on a house. Still others feel it is foolish to pay such a high price for a place to live. By the time you add together the original price of the house, the finance charges for a mortgage, the cost of repairs and upkeep over the years, many people feel the expenses are not worth it. To make a wise decision you should be aware of the advantages of owning or renting your home.

Advantages of owning a home

If you asked seven people why they bought their homes you will probably get seven different reasons. You will understand these homeowners' answers if you know that owning your own home offers many advantages. [Make a visual to illustrate these points.] The advantages of owning your own home are:

1) Having a feeling of permanence--many people feel they have put down roots if they own their own home.
2) Prestige--many people feel that because homeowners pay property taxes which build schools, provide money for street improvements, and provide police and fire protection, that they have more prestige than a renter.
3) Security--many homeowners are secure in knowing they do not have to put up with a landlord, or pay prices to rent a place they feel is too high for what they are getting. Many homeowners feel secure because by the time they retire their homes will be paid for.
4) Investment--many homeowners feel their house will increase in value over the years.

5) Cost of housing is fixed--when you sign a mortgage loan the amount of the monthly payments is fixed. This means a homeowner knows exactly what they will have to pay for their home each month. Sometimes taxes and insurance might increase or decrease the payment slightly.
6) Tax advantage--homeowners get two tax advantages. By owning a house you can deduct for federal income tax purposes the interest paid on the mortgage loan and any property taxes paid to local governments.
7) Improved credit rating--homeowners can get credit easier because their house represents capital. This is true, of course, if you make house payments on time. A house if viewed as added security for a loan.
8) Incentive to save--many homeowners tend to save money for making needed improvements on their home.

Advantages of renting

There are also several advantages to renting a house or apartment. The advantages to renting are:

1) Mobility--if you rent you are free to move when you want to without the worry of having to sell a house.
2) Carefree existence--many people do not want to spend their free time maintaining or repairing their homes. When you rent, most of the maintaining and repairs are done by the landlord.
3) No long-term debt--renting means not having a 30 year mortgage "hanging over your head."
4) Being able to take advantage of market changes--during a time of low prices, renters can ask for a reduction in rent.
5) Investment opportunity--because renters usually pay less for housing, they are freer to invest their money in some other way.
6) Lower initial cost--renters usually have to put down a security deposit, whereas homeowners have to make down payments and settlement costs.

Knowing the advantages of homeownership and renting could help you decide where you want to live.

How to choose a house or apartment

Before you decide on a house or apartment there are several points you should check out. To help you choose check out these points:

1) Size of the house or apartment.
2) Number of bedrooms and bathrooms.
3) Location of transportation, markets, and schools.
4) Quality of construction.
5) How attractive is the house or apartment and the neighborhood.

[Use transparencies (pp. 390-392) "Housing Selection." Have participants discuss why they would or would not select each particular housing situation.]

Buying furniture and appliances

Now that you have decided whether to rent or buy a home you will have to furnish it. Planning for these expenses will help you stay within your spending plan.

After you have chosen the type of housing you will be living in, you will have to consider the furnishings you will need. The first discovery you'll make is that buying furniture, appliances, and household equipment is expensive. Says one home economist, "If most people knew how much it costs, they'd never begin."

Next you will find you have not made enough plans for this expense. Hardly anyone does. That's why so many families find themselves over their ears in debt, spending as much on home furnishings as they would for a car--and doing it on far less favorable credit terms.

So, if you have recently bought a home, rented an unfurnished apartment, recently married, or for any other reasons are about to take a first dive into furnishing a home, pay attention.

Cost of furnishings[1]

[NOTE TO TEACHER: The dollar amounts are subject to change. Please make sure the amounts are accurate before teaching.]

The cost of furnishings often ranges from 15% to 50% of the price of a home. For a $30,000 house, that means at $4,500--probably much more--for appliances, furniture, and smaller items. The average spending, including gifts, for furnishings is about $3,200. Changing Times found that even sparsely equipping a small first home would come to $1,556.90.

[Prepare a houndout of the information (pp. 393-394) and give to participants.] The list is an example of what might go into bare bones, rock bottom household outfitting. Then, because you will want to live as well as you can with what you have to spend, there's a second list of extra-comfort items. These options run to $736.37, making a total of $2,293.27 for reasonably easy living.

Take a look at those lists, and then take stock of where you stand. [Have participants make a list of the furnishings they already have, to avoid duplication when shopping.]

What will you need besides items on the rock bottom list? That list is a starting point, aimed at consumers who have to watch the money they spend. Make your own shopping list to meet your individual needs.

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[1] Reprinted by permission from Changing Times, the Kiplinger Magazine, (February, 1976 issue). Copyright 1976 by the Kiplinger Magazine Washington Editors, Inc., 1729 H Street, N.W., Washington, D.C. 20006.

Furnishings to meet stage of life

Give some thought to where you are in life. Chances are you will not spend many years in your own first home, so stay mobile. Don't go for top-quality, top-priced furniture right off. One idea is to furnish your first home very inexpensively, secondhand. If you have to move, you could junk everything and start fresh at the new place. Or buy modern furniture that's lightweight, easily taken apart, and lends itself to do-it-yourself moving.

People who are more firmly established can think about expensive furniture, things that should last many years. Few can buy them all at once, though. The question, then, is what comes first? For a person who likes to invite friends for dinner it may be a good dining room set. Someone who always brings work home from the job might give a comfortable workplace higher priority.

Beyond that, it's usually a matter of filling in with suitable items that can be replaced later. Here's a tip: Plan to recycle your furniture. A patio-type wrought iron table and chairs make sense as a first dining room set, especially when bought on sale at the end of the summer. Someday you can use them as outdoor furniture. A cheap dresser can be useful in a workroom. Add cushions to a Hollywood bed and you have a couch for the den.

Rules for decorating

When it comes to decorating, remember five basic rules:

1) Go slow. Tastes, including yours, do change. Try mixing styles at first and see which you like the longest.
2) Don't expect to have overnight comfort it took others years to get. They could not afford everything at once. Neither can you.
3) Don't let others make choices for you. Do friends or relatives sniff at your tastes in kitchen tables? Ask yourself who will eat there most often.
4) When money runs out, stop. Some make-do ideas never seem to go out of style. Frame travel posters or use curtain rods to hang bright lengths of cloth on walls. Brick-and-board bookcases are as popular today as ever. If a room is short on furniture, fill in with plants.
5) Do not worry about decorating mistakes. A home is for fun. Experiment. When an idea misfires, you're free to change it.

When you shop for beds

Let your first purchase be the best bed you can afford. Spend well here and you will thank youself every morning.

Well-known brand-name bedding may be made in several qualities. So, whether you are buying at regular prices or at discount, do not go by name alone. Check the warranties that come with good-quality mattresses and springs. Some clues to quality:

1) Is the ticking heavy and closely woven?
2) Are seams and edge bindings evenly stitched?
3) Can anything catch or snag?

4) Look for sturdy mattress handles and air vents around the sides of innerspring mattresses.
5) Innerspring mattresses should be comfortably padded, top and bottom, and the edges reinforced.

You may see air holes in samples of foam mattresses; these should be small since big holes cause sagging and buckling. A foam mattress should be at least four to six inches thick. Thick urethane-foam mattresses means firmer support and greater wear.

The most popular type of mattress support is the coil-type box spring. There are also box springs with steel torsion bars or with foam cores. Uncovered coil springs are cheaper than box springs but can cause mattresses to wear faster.

To save money, buy a simple metal frame but make sure it gives enough support. Skip the headboard. Do not insist that the mattress cover match the springs. Savings on a mismatched set may help you sleep nights.

Remember that sheets for standard-sized beds are cheaper than for oversized beds. If you want a king-size mattress, be sure it can fit into your bedroom.

Shopping for other furnishings

Before you shop for tables, chairs, dressers and upholstered furniture, find out all you can about materials and construction techniques. [As a starter see "Shopping Tips: Furniture" in the February 1975 issue of Changing Times.]

Look underneath the furniture, to test tables and chairs for stability. Bounce and squirm around on sofas. See that patterns match and seams are straight on upholstered pieces. Learn the best name brands and compare brands. Ask questions about materials and guarantees.

Rugs and draperies

Landlords in apartment houses often require that at least some portions of floors be covered. That means rugs may have to be one of your purchases. Buy rugs that will be useful in many places. Area rugs are cheaper than wall-to-wall installation. Separate carpet padding is generally best, but a foam-backed carpet is cheaper.

There are foam-backed draperies, too. Decide for yourself whether they serve as well as regular lined drapes. Consider hanging simple curtains; a do-it-yourselfer can make them out of inexpensive fabric or even brightly colored sheets.

Other places to shop

Another way to cut the costs when buying furnishings is to look over classified ads and go to garage sales, used furniture stores, bargain basements, and warehouse outlets.

Also try these places:

Appliance Repair Shops. Rebuilt trade-ins frequently are offered at a fraction of what they would cost new. If the dealer is reliable, "rebuilt" means a thorough overhaul. Stay away from "reconditioned" appliances though; they may simply have been cleaned up for quick resale. Remember that a guarantee covering labor as well as parts is much more valuable than one for parts only.

Department Stores. Not all bargains are in the basement. Look for demonstrators and discontinued models at a discount. When buying one, though, make sure you get the warranty that goes with it.

Auctions. There are all types of auctions. You might find the kinds of things you need at estate sales, but do not overlook those auctions put on by the U.S. Customs Service and the Postal Service. The police regularly auction off stolen property whose ownership they cannot trace. Movers, freight companies, storage firms, and sometimes the insurers that deal with them sell household goods at auction.

In many states and cities, laws require advertising of auctions. Watch the classified ads for announcements or ask professional auctioneers, listed in the Yellow Pages, what sales are coming up.

You should not bid on anything you have not inspected first. Set a price and stick with it. Auctions are fun and for many people worthwhile. Four Michigan bachelors recently furnished a 15-room house that way for less than $200 apiece.

Thrift Stores. Those run by the Salvation Army and Goodwill Industries have become well known for budget furnishings. Other organizations such as churches also run thrift stores.

Liquidators. There is risk here as in other purchases where after-sale service is not part of the deal. Find out before you buy whether there is a warranty and who stands behind it.

Instead of buying

Before you spend a lot of money buying new furniture, consider these money saving alternatives.

Refinishing. An inexpensive chair picked up for $5 at a garage sale can be made into a beautiful piece of furniture. Many paperbacks offer advice on stripping, sanding, painting, antiquing, and varnishing. Local schools and craft groups also may give courses in refinishing and repairing.

New but unfinished furniture may not be much of a bargain. Your time and effort can often be put to better use refinishing an old piece that's made better. "As long as you have to finish it yourself," one shopper said, "you might as well spend a little more to start with. At least after you refinish it you'll have something of real value."

Reupholstering. This can be expensive and usually is not worthwhile for moderately priced furniture. The trick is in checking costs to find out which pieces are worth the expense. Sometimes an old chair can be reupholstered for much less than the cost of a comparable new one.

Often a slipcover will give a new look to a sofa or chair. Ready-made slipcovers are much cheaper than reupholstering. There are also patterns for home sewers. Department-store slipcover sales are worth looking into. Usually, you pick the fabric and the cover is custom made.

Renting. Though more expensive than buying new furniture, renting can be a fast or temporary way to furnish a place. Many firms rent with the option to buy. Find out what the terms of purchase are--some firms credit all the monthly rent toward purchase, others only a portion.

Insist that the contract state whether the furnishings are new or used. Expect to pay less for used. Also make sure your copy lists values and the extent of your liability. Rates for insurance that renters offer can be high, from $2 to $5 per $100 valuation, one dealer said.

As a rule, the more goods you lease, the less the per-item rental is. Rates are usually lower for longer leases, too. If you rent for a year and decide to renew, ask for a lower monthly rate; it is a common practice. Most rental places require a security deposit, and some also ask for a penalty fee, which they will keep if you break the lease.

Report damage to the dealer at the start of the leasing term. Make your inspection after the furnishings have been delivered to your home, not while they are still in the showroom. Ask about delivery charges--some firms waive them, others charge by the length of the lease and the distance transported. If more than one delivery is made, you may be charged each time.

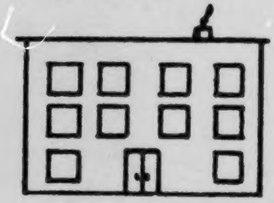
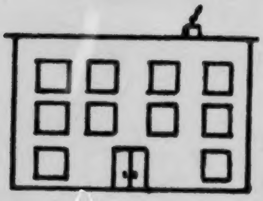
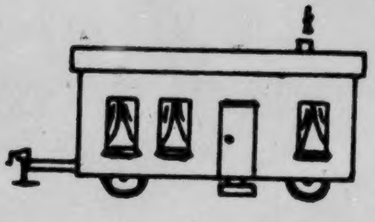
APPLICATION: Have participants study classified ads for information on homes for sale or for rent. On the basis of descriptions given, have participants choose 4 homes for sale that they like. Have them list the information about each house: price and terms for financing, house size, and special features. List the same information about 4 rental houses. Have participants discuss and compare their findings.

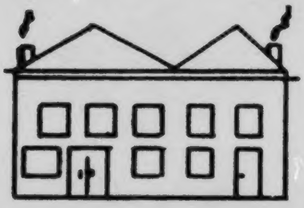
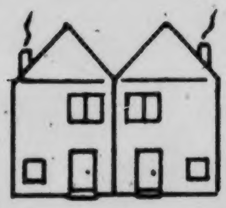
KEY IDEAS: Choosing a place to live is one of the biggest decisions a consumer will make.

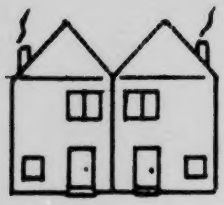
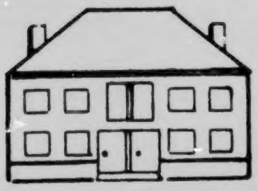
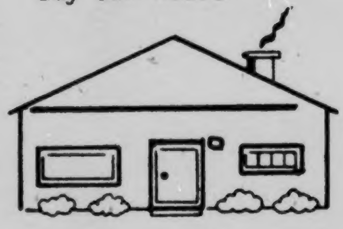
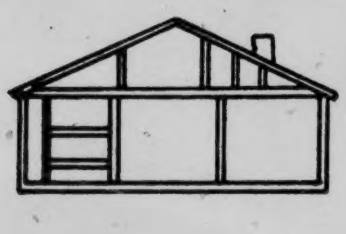
In order to meet individual housing needs and wants, the consumer can either buy or rent.

The cost of furnishing a home should be a major consideration in the total housing cost.

HOUSING SELECTION

HOUSING CHOICES	DESCRIPTION OF HOUSING	MY HOUSING CHOICE AND EXPLANATION
Rent Furnished Apartment 	Furniture included. Will have private bath. Caretaker has general responsibility of upkeep and repairs.	
Rent Unfurnished Apartment 	Furniture not included. Will have private bath. Caretaker has general responsibilities of upkeep and repairs.	
Buy Mobile Home 	Put mobile home on a lot you pay rent for. Up-keep of lot is responsibility of renter.	
Rent Mobile Home 	Rent paid includes use of lot and mobile home. Upkeep of lot is responsibility of renter. Taxes on mobile home are owner's responsibility.	

HOUSING CHOICES	DESCRIPTION OF HOUSING	MY HOUSING CHOICE AND EXPLANATION
Rent Furnished Room 	One room with furniture. Usually no cooking facilities are included. Usually a community bath.	
Rent Unfurnished House 	Furniture and major appliances not provided. Landlord has major responsibilities of upkeep, repairs, and taxes. A lease may be required.	
Rent Furnished House 	Furniture is provided. Major appliances are included. Landlord has major responsibility of upkeep, repairs, and taxes. A lease may be required.	
Buy Duplex 	Purchase two separate, identical apartments both in one dwelling. Can live in one and rent the other. Owner has full responsibility of upkeep.	

HOUSING CHOICES	DESCRIPTION OF HOUSING	MY HOUSING CHOICE AND EXPLANATION
Rent Duplex 	Rent one of two separate identical apartments in own dwelling. Landlord has major responsibilities of upkeep. Renter may have some responsibilities.	
Buy Condominium 	Purchase a specific apartment in a building. Hallways, land, etc. are jointly owned by all persons in condominium. Each owner gives a yearly fee to cover maintenance personnel.	
Buy Own House 	Furnishing must be provided by the purchaser. Owner is responsible for upkeep, repairs, and taxes on property.	
Build Own House 	Pay for and build, or have built, house of desired plan. Owner has full responsibility for taxes, upkeep, and repairs.	

THE COST OF FURNISHING YOUR FIRST HOME
(Handout)

The bare bones essentials
This is what you might choose as basic furnishings for a small home today. Prices are not intended to be a spending guide.

Living room	total $461.65
three cushion sofa	$159.95
two end tables @ $34.95 each	69.90
two table lamps @ $24.99 each	49.98
area rug, 9'x12', foam backed	59.99
pleated drapes, 96"x84", foam backed	32.96
wooden rocker	37.95
cushions for rocker	10.97
bookcase	39.95

Dining room	$323.16
set of 42" table and four chairs	$219.95
table cloth, 52"x70"	8.97
four cloth napkins	3.99
ironstone dinnerware, 45-piece service for eight	44.76
stainless steel flatware, service for eight, with servers	33.00
glasses, eight each of three sizes	12.49

Bedroom	$541.91
mattress and box springs, standard double size @ $87.95 each	$175.90
metal frame with casters	18.88
mattress cover	6.99
two pillows, fiber-filled, standard size @ $5 each	10.00
four pillow cases @ $3.99 each	15.96
four percale sheets, standard size, two fitted bottoms and two uppers @ $5.49 each	21.96
sheet blanket	5.49
blankets, wool and nylon blend two @ $13.99 each	27.98
bedspread	21.96
nightstand	57.95
bedside lamp	17.99

And some extra comfort
Additional or substitute items for those who can afford a little more.

Living room	total $401.87
sleeper sofa	$199.95
upholstered chair	119.95
coffee table	49.98
floor lamp	31.99

Dining room	$ 27.99
wine glasses, set of eight	$ 16.00
table cutlery, five piece set	11.99

Bedroom	$241.87
headboard, standard double size	$ 36.95
double (nine-drawer) dresser	159.95
framed mirror, 23"x31"	24.99
wicker clothes hamper	19.98

The bare bones essentials		And some extra comfort	
Bedroom (cont.)			
radio alarm clock	37.97		
five-drawer dresser	89.95		
unframed mirror, 24"x36"	10.99		
window curtains, 48"x84"	8.96		
scatter rugs, two @ $6.49 each	12.98		
Bath	$ 40.79	Bath	$ 25.91
cotton washcloths and towels, 12-piece set	14.88	throw rug, nylon pile, 24"x36"	36.95
shower curtain	12.95	toilet lid cover	2.99
bath mat, 24"x36"	5.97	tank cover	5.99
wicker wastebasket	6.99	floor scale	10.95
Kitchen	$ 80.18	Kitchen	$ 38.73
cookware, ten-piece basic set, non-stick coated	29.99	electric hand mixer, five-speed	$ 14.99
bakeware, basic six-piece aluminum set	9.99	electric coffee pot, four to ten cups	14.79
bowls, set of four	7.49	casserole dish	8.95
utensils, six-piece kitchen set	7.98		
canisters, plastic	8.99		
two-slice toaster	9.75		
coffee percolator	5.99		
Miscellaneous	$109.21		
vacuum cleaner	$ 64.95		
steam iron	15.78		
ironing board	13.99		
ironing board cover	2.97		
broom, mop, other cleaning items	11.52		
total before sales taxes and delivery charges.	$1,556.90	total before sales taxes and delivery charges . .	$736.37

UNIT IX: BUYING

IX-4: Transportation

OBJECTIVES:

List advantages and disadvantages of buying a car
Identify factors to consider in deciding whether to buy a car
Explain the importance of warranties, financing, and maintenance of a car
Give examples of other forms of transportation

VOCABULARY:

subcompact
compact
intermediate
full-sized automobile
luxury
options
standard equipment
public transportation

Buying a car is the second biggest single purchase a consumer will make. Buying a house ranks first. Being well informed before you buy a car can mean a difference between being a happy or unhappy car owner. You should give careful thought and planning to several details before you decide to buy a car.

Advantages of owning a car

Usually people can think of many good reasons for buying a car. Some of the advantages of owning you own car might be:

1) You need a car to earn a living.
2) Having a car means you are mobile, you can go anywhere you need to, and you do not have to worry about being isolated from anyone or anything.
3) A car gives you a feeling of independence.
4) A car can save time because you do not have to stop at each intersection to pick up riders.
5) Having a car is convenient. You decide your own schedule.

Disadvantages of owning a car

Along with the good there is usually some disadvantages to consider. Some of the disadvantages of owning a car are:

1) Original cost is high.
2) Operating costs are high.
3) Cars are not good investments.
4) Cars cause much of the air pollution.
5) Cars contribute to the energy problem because they run on gas.
6) It costs billions of dollars each year to build and keep up streets and highways.
7) Traffic accidents cause many deaths and much economic loss each year.

Factors to consider

After you have looked at the advantages and disadvantages of owning your own car, the next step to take is deciding whether you need a car. [Use transparency (p. 400) to illustrate these points.] If you do, then consider "How will the car be used?" The main use of the car should help you decide what kind of car to get.

The next factor to consider when buying a car is "How much can you afford?" You should not spend more than 12% of your take home pay on a car. This 12% should include your car payment, operation, insurance, taxes, and license tags. You might cut the costs if you shop around for a loan and borrow the money where the best terms are offered.

The third factor to consider is "What car size will meet your needs?" You can group cars into five categories according to size. [Obtain pictures for each car category listed.] The sizes are:

1) Subcompacts--very small, usually 4-cylinder engines, low-priced, least powerful, most economical, and seats 2 adults.
2) Compacts--small, usually 6-cylinder engine, may carry 4 people, original cost less than subcompacts, low operating costs.
3) Intermediate--mid-sized, usually 6- to 8-cylinder engines, can seat 6 people, but is uncomfortable, operating costs a little higher than compacts.
4) full-sized or standard--seats 6 people in comfort, higher initial cost than 3 above, higher operation costs, but has quiet, smooth ride.
5) luxury--most expensive, but offers the most comfort, holds six people in comfort, and gives a very smooth ride.

If you have shopped for cars recently you have noticed car manufacturers have begun to trim car lengths, widths, and weights to help improve gas mileage as required by law. This began with the 1977 models.

A fourth factor to consider is "Which options must you have?" Options are items available at an extra cost. Many cars have standard equipment items that are optional on other cars. Standard equipment are items which are included in the price of the car.

Other factors you should consider are:

1) Which cars perform the best?
2) Who is the best car dealer?
3) What does the sticker say?
4) How does the car handle in road tests?

Accepting delivery

It is wise to wait to accept delivery on a car until you have completely tested the car. Do not agree to wait for the thousand mile check up to have corrections made.

Car warranties

When deciding on a car be sure to check its warranty. [Make a visual of the following information.] A good car warranty:

1) Is clearly written.
2) Is clearly labeled as a full or limited warranty.
3) Follows federal standards for full warranties on repairing, refunding, or replacing a defective part at no charge.
4) States what is not covered under the limited warranty.

Car financing

Because of the high price of new and used cars, many people have to borrow the money to get a car. Consider the following when deciding how to finance a car.

1) Down payment--the larger it is the lower the monthly payments will be.
2) Monthly payments--the longer you finance the car the smaller the payments will be. But, remember you will be paying much more because of interest rates.
3) Loan source--shop around for the lowest interest rates possible.

Car maintenance

Taking good care of your car will help you save money in the long run. You can depend on your car if you keep it in a good state of repair. A car is very unreliable if it is not maintained.

Cars should be checked for lubrication and general maintenance, safety maintenance, and emission control maintenance.

Common sense and care of your car will help it to run smoother and lower the gas consumption.

Other forms of transportation

Cars have caused much of the air pollution problems we have today. For this reason, gasoline shortage, and high cost of cars, many cities have pushed the use of public transportation by their citizens. Public transportation means vehicles supplied by the community, such as buses, taxis, subways, trains, etc.

The government has spent billions of our tax dollars to upgrade public transportation around the country. What type of public transportation do we have in our city? (buses, taxi cabs, etc.) How long has it been since you have used public transportation?

Reasons for using public transportation

There are some important advantages in using public transportation. The advantages are:

1) The cost for the individual consumer is usually less (gasoline prices for cars are increasing).
2) It may be more convenient to use public transportation (do not have to worry about locating a parking place or paying a fee to park).
3) Some social problems are lessened by public transportation (relieves traffic problems, saves energy, with the result of conserving liquid fuel and reducing air pollution).

With all these advantages there are some people who will not use public transportation if they can afford a car. As a consumer and a citizen it would be to your advantage to look at the public transportation in your area. It just might save you money, as well as help the community. [Obtain a copy of the bus schedule and fares, and fares charged by taxi cabs. Discuss with participants and help them decide if these forms of transportation would better suit their needs.]

APPLICATION: Divide participants into groups and have them select a type of car (large, medium, small, compact) to analyze. If possible, visit several car dealerships to chart prices of similar car types. Display the chart which shows similar options on each type of car. Compare your prices with the Blue Book and Red Book. Point out how local prices compare to those in the Blue Book, and how prices vary with options and car size. [NOTE TO TEACHER: Use sample chart (p. 401). The Blue Book can be found at banks, car dealerships, and libraries.]

Have participants study the case situation (p.p. 402-403) concerning one couple's decision related to buying a car. Have participants write down the decision they would recommend to the couple, and tell why they are giving this advice. Discuss the various recommendations of participants. What costs have Manuel and Juanita overlooked? Will these be a significant spending plan expense? If having a car provides additional recreation opportunities, like Manuel's bowling, what additional expenses might this mean?

KEY IDEAS: A car is the most expensive item, next to a home, that a family or individual is likely to buy.

The cost of an automobile does not end with the purchase price.

The cost of operating a car needs to be considered in setting up a budget.

There are both advantages and disadvantages to the various sizes and types of automobiles.

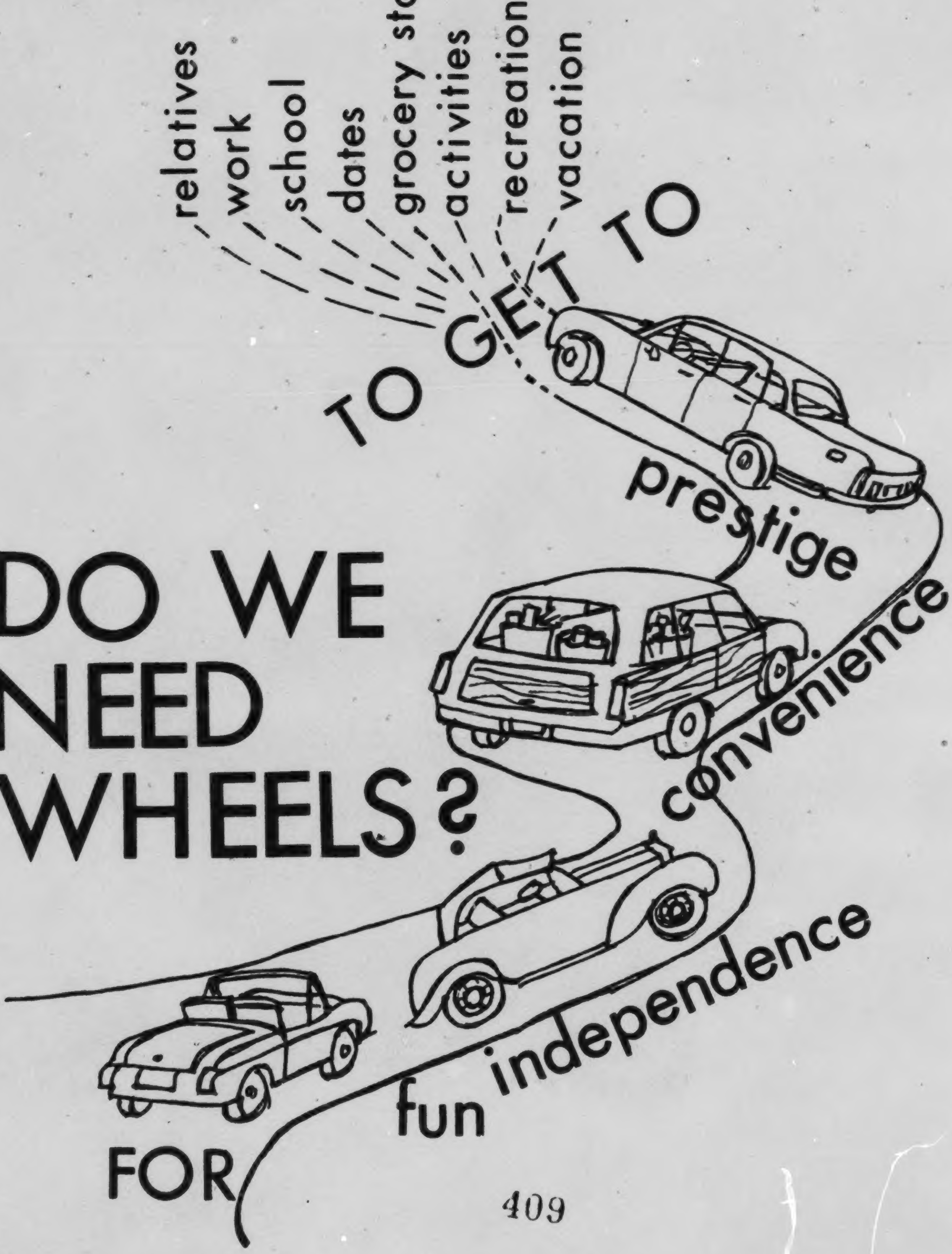
Knowing basic maintenance skills can greatly reduce the cost of caring for your car, and can protect you in emergencies.

You can reduce the cost of automotive products and services through comparative shopping.

The consumer has certain responsibilities in owning and operating an automobile.

The use of public transportation is an alternative to owning a car.

DO WE NEED WHEELS?


FOR
fun
independence
convenience
prestige
TO GET TO
relatives
work
school
dates
grocery store
activities
recreation
vacation

PRICE COMPARISON CHART[1]
(Handout)

	CAR 1	CAR 2	CAR 3	CAR 4
LIST PRICE				
OPTIONS				
Non-standard engine				
Automatic transmission				
Power steering				
Power brakes				
Tires: Radial				
Oversized				
Snow				
Air conditioning				
Rear window defogger				
Radio: AM				
AM/FM				
Limited slip differential				
Custom interior				
Exterior trim strips				
Tinted glass				
Vinyl roof				
Speed control				
Fuel economy indicator				
Other:				
FREIGHT CHARGES				
FEDERAL EXCISE TAX				
PREDELIVERY SERVICE FEE				
SALES TAX				
REGISTRATION AND LICENSING FEES				
OTHER				
TOTAL COST				
SUBTRACT TRADE-IN OR DOWN PAYMENT				
TOTAL AMOUNT YOU PAY				

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[1] Reprinted by permission from Money Management: Your Automobile Dollar. Chicago, Illinois: Household Finance Corporation, 1975, p. 23.

TO BUY OR NOT TO BUY???
(Story)

Juanita was cooking supper when Manuel came home from work, bursting with excitement.

"Come sit down, Juanita. I've got some great news."

Putting the casserole in the oven to cook, Juanita sat down at the kitchen table with Manuel.

"There's a guy at the store, Rick, who wants to sell his car. It's only one and a half years old, cost over $5,000 new, and he'll let us have it for $3,500. Juanita, this is a great chance to get the car we've been saving for. We can go and see it and drive it this evening. Rick's going to pick us up at seven. You'll love the car! It's just the right size for us, sharp looking, and in good shape. I've already test driven it. You'll..."

"Hold it a minute, Manuel! Don't rush into this so fast. I thought we agreed to save up for a year or two to make a down payment on a car. I know it's inconvenient sometimes not to have one, but we have managed O.K. for 6 months already. I'm within a few blocks of my job and plenty of shopping facilities, and you've been able to take the bus to work whenever Paul can't give you a ride. We're doing fine, so why change our decision so suddenly?"

"I know what we agreed, but I've been thinking a lot about it lately. We miss out on many things because we don't have a car. I haven't been able to join the store's bowling league, for example. And I know there are a lot of things you don't do because you don't have transportation at that moment."

"You're right, of course, Manuel. But we knew we'd be making a sacrifice when we decided to spend a little more for this apartment instead of getting a car right after we married. Our budget is pretty tight right now, and we're making payments on the wedding rings, dinette furniture, and our TV and stereo. Remember, we bought the TV and stereo because we thought we'd get more enjoyment from that than spending $30 a month to go to movies, go bowling, and other outside recreation. And it has been fun having our friends over to eat and watch ball games or movies."

"That's all true, I know. But just think, Juanita. We've been living within our budget just fine. That includes putting $40 a month aside for our car down payment and $50 a month in savings. And we almost always have a few dollars left over anyway. Now, Rick says we could easily finance the car. I won't know exact figures till I check, but he and I estimated that with the $450 we could put down on the car, payments would be around $90 a month. That's exactly what we're putting aside and into savings now. So we have the payments made!"

"But what about our goal to build up our savings?"

"We'll pay off our rings in 3 months. That'll give us $30 a month we can put in savings. We can go 3 months without hurting our goal. Besides, one of us should get a raise soon, which will completely eliminate any pressure on our budget."

"Well, Manuel...I just don't know. It sounds possible, but we'd sure be cutting our budget close for a while. And the down payment would cut our savings to $100. It just scares me."

"Now, don't worry. We can make it. I mean, if you see this car, you'll agree it's too great a chance to pass up. Juanita, it's just a super car! At least let's go look at it after supper, and you can see how it drives. You'll be as excited as I am, I know!"

"Well, O.K. I can see you're really excited. If it means so much to you, we'll go look. But, Manuel, just promise me one thing--that we won't give Rick our decision while we're there. I don't want to feel rushed into this immediately, and I'd like to talk to you again tonight after we get home. I just hope we're not overlooking any important considerations."

"O.K. I promise, Juanita. We'll talk again after you see the car, and I can give Rick our decision tomorrow."

UNIT IX: BUYING
IX-5: Other Services

OBJECTIVES:

List services purchased by consumers
Identify the importance of careful selection and buying of services
Describe guidelines a consumer should follow for selecting and buying services
Explain procedures the wise consumer can use to get the best service for their money

VOCABULARY:

personal services
institutional services
professional services
household services
repair services
financial services
public utility services

Each year consumers spend a lot of money for services. These services vary from having shoes repaired to having major appliances fixed to using gas and electricity for your homes. It is hard for a consumer to make the right decision about quality and exact costs when buying services. When you are buying goods, you can inspect it and know the cost before you buy it. This helps you to choose the goods that meet your needs. But, when buying services you have to use your consumer skills to get the most value for your money.

Types of services available

There are seven major services you as a consumer use, or will use, at sometime or another. [Use visual (p. 408) to illustrate the categories of services.] These services are:

1) Personal services--dry cleaners, hair salons, launderies.
2) Institutional services--governmental services such as medicaid, welfare, food stamps, postal and city services, education.
3) Professional services--doctors, dentists, lawyers, accountants.
4) Household services--yard care, household nursing care or cleaning, child care.
5) repair services--appliances, equipment, cars, TV sets, record players.
6) Financial services--banking, credit, insurance, and investments.
7) Public utility services--gas, electric, water, telephone.

[Ask participants the following questions: Can you name any other services which we have not listed? Have you used any of these services in the last six months? Were you satisfied with the service you got for the money you paid? Explain.]

Selecting and buying services

It will pay to shop around for services you need. [Use visual (p. 409) to illustrate the amount of consumer dollars spent on services.] Let's look at this chart to see how consumers' dollars are spent. In 1940, we see that nationwide, consumers were spending around 50 billion dollars on service. In 1975, consumer dollars being spent on services had increased to 400 billion.

By 1980 it might be up to 800 billion or over. Why do you think consumers are spending more dollars on services? (More technology, new medicines, more leisure time, inflation.) Due to the increase in prices and services available you need to know what to look for before you buy a service.

Guidelines for selecting and buying services

Consumers need certain guidelines to follow when looking for services. Before you buy a service:

1) compare prices and quality.
2) consider only reliable organizations.
3) ask questions.
4) know who will do the service needed.
5) know what the service provides.
6) know all the costs
7) ask if "satisfaction is guaranteed."
8) ask when the service can be done and how long it will take.
9) make a list of several services and repairs needed so that several things can be done at one time.
10) ask for references and check with other people who have used these services.

Following these guidelines can aid a consumer in finding out exactly what they will get for their money.

How to save on utilities

Conservation is the key to wise spending of your utility dollar. The only way to really save money on utility costs is to economize in their use. Conservation means the less coal, gas, oil, or electricity used to heat your home, the less you will have to pay the utility company at the end of the month. The same goes for other uses of energy, water, or the telephone.

[Give participants handout (p.p. 410-411). Have participants read and discuss the handout.] Because savings in use equal savings in cost, some of the tips mentioned in this handout will sound like the energy-saving tips you have been hearing during the energy crisis. So as you cut down on use to cut down on costs, you will have the added benefit of knowing your thrift is helping to conserve energy.

APPLICATION: Have participants prepare a list of vital services in your community which they or their family may need at some time. Beside each service listed, write the address and phone number for contacting this service. [NOTE: Examples of vital services are physicians, police and fire departments, hospitals, ambulances, sheriff's office, a pastor, and others you consider important.] Compare the lists with those of other group members and make any necessary changes. Have participants laminate or place a protective finish over the list. Post the list near the phone in their home.

Divide participants into small groups to investigate the cost of public utilities in your area. [NOTE: You might contact local utility companies or interview several families to discover an average range of utility costs, referring to references, periodicals, etc. Report your findings to the group. Use the handout on "How to Save on Utilities."]

KEY IDEAS: Services that consumers buy include professional, personal, institutional, financial, household, repair, and public utilities.

Buying services is harder than buying goods, since you cannot see, touch, or examine services before purchasing them.

It is important to know guidelines for purchasing services, since services are a major family expenditure.

Knowing exactly what you will get for the money you spend is essential in getting satisfactory service of any kind.

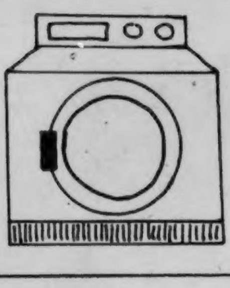
The wide variety of choices within each service area gives the consumer an opportunity to choose carefully those best suited to his or her needs.

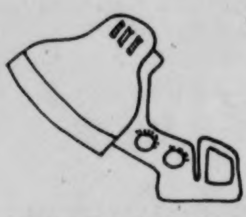
Shopping carefully for consumer services is just as important as shopping carefully for consumer goods.

TYPES OF SERVICES CONSUMERS USE
(Visual)

Personal Services

1. dry cleaners
2. hair salons





Institutional Services

1. Medicaid
2. food stamps
3. postal and city services
4. education

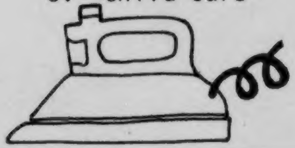
U.S. POSTAGE
15¢

Professional Services

1. doctors
2. dentists
3. lawyers
4. accountants

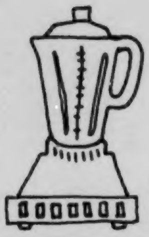
Household Services

1. yard care
2. household nursing care or cleaning
3. child care



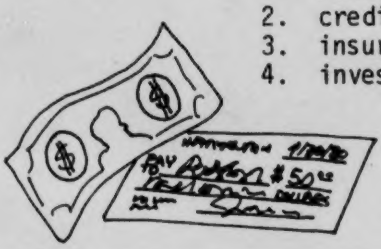
Repair Services

1. appliances
2. equipment
3. cars
4. T.V. sets
5. record players



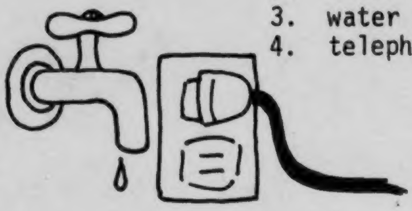
Financial Services

1. banking
2. credit
3. insurance
4. investments



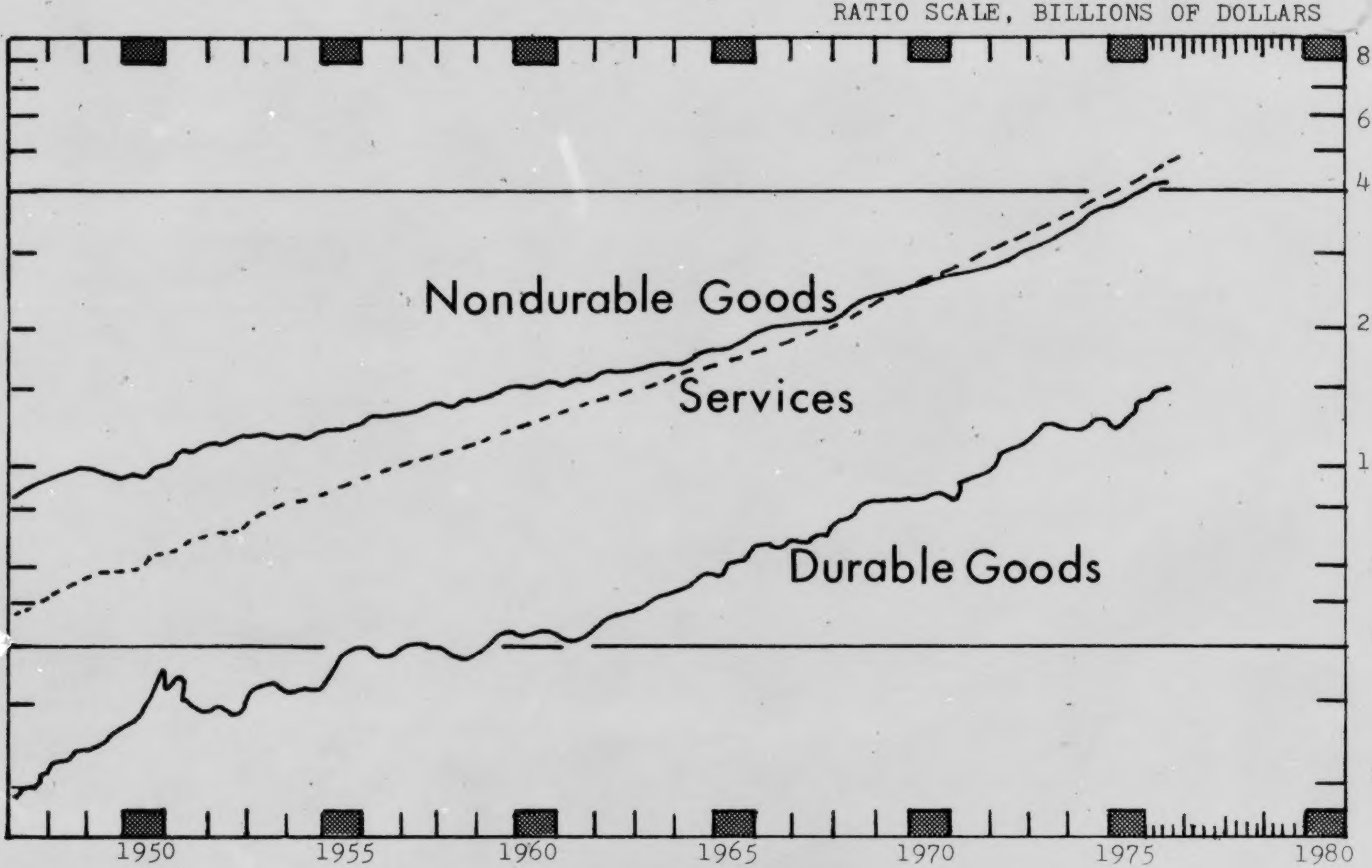
Public Utilities

1. gas
2. electric
3. water
4. telephone



PERSONAL CONSUMPTION EXPENDITURES

SEASONALLY ADJUSTED ANNUAL RATES, QUARTERLY



409

HOW TO SAVE ON UTILITIES[1]
(Handout)

Heat

1. Check effectiveness of present insulation in walls and ceilings.
2. Weatherstrip and caulk around all windows and doors.
3. Install storm windows or insulating glass.
4. Use shades and closed drapes to retain heat.
5. Do not heat unused rooms.
6. Tightly close the damper on the fireplace when not in use.
7. Select a comfortable temperature and leave the thermostat set at that point.
8. Turn the thermostat down several (6 to 7) degrees at night.
9. Use a humidifier or a dehumidifier to keep humidity at a comfortable level.
10. Check and clean (if needed) the filters in the furnace, heat pumps, and air conditioner once a month.
11. Have a gas heating system cleaned and adjusted at least once every 3 years, and oil system once a year.
12. Keep all moving parts, such as the air blower or water pump, cleaned and lubricated.

Air Conditioner

1. Turn off when no one is home.
2. Use shades and blinds to keep out hot sun; check insulation.
3. Buy an efficient air conditioner that is the right size for your needs.
4. Avoid coldest settings and settle for keeping the room 75 degrees or above.
5. Keep doors and windows shut.
6. Do not let moisture build up indoors.
7. Keep filter unit clean.

Appliances

1. For equipment that consumes a lot of energy, such as a water heater, range, or clothes dryer, look into buying gas models unless you live in an area with low electric rates.
2. Set the water heater so that the water will get only as hot as your hands can take.
3. Use dishwasher, clothes washer, and dryer only with full loads.
4. Clean the dryer lint trap regularly.
5. Cook with pots and pans that fit the burners.
6. Do not preheat the oven longer than necessary.
7. Limit peeking inside the oven.
8. When cooking a meal, try to center preparation in just the cooktop or the oven. Avoid heating both.
9. Use small appliances--toaster oven, electric frypan, slow cooker--when preparing a special item or a meal for one.
10. Defrost the refrigerator/freezer regularly.
11. If your refrigerator has a power-saver switch, use it to turn off the mullion heaters when they are not needed.
12. Purchase appliances without features that consume more energy than needed.

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[1] Reprinted by permission from Forecast for Home Economics, copyright 1974 by Scholastic Magazines, Inc.

Lighting

1. Turn off unnecessary lights.
2. Use good-quality, long-life bulbs.
3. Use fluorescent lighting when possible.

Entertainment

1. Do not run more than one type of entertainment equipment at one time.
2. Turn off radio, TV, or stereo when no one is looking or listening.

Telephone

1. Dial your own calls. Anything involving the operator costs extra.
2. Call station to station whenever possible.
3. Take advantage of the bargain times listed in your phone book.
4. Use the one minute, after 11 p.m. rate to make "I arrived safely" calls.
5. Be aware of the cheapest rate times within your own state.
6. If suitable to your phoning habits, use special billing plans (for example for a small extra charge have unlimited calls within a 20-mile radius.)
7. Order only as many extensions and extras as essential for your needs.
8. Call the operator to receive credit for wrong numbers and cut-offs.
9. Check monthly bills against a record you have kept of all long-distance calls.
10. Report incorrect charging to the telephone office.
11. Buy a three-minute hourglass or automatic timer if you have a tendency to get carried away in conversation on the phone.
12. Avoid fancy styles of phones and make sure you are not paying extra for colors.

UNIT X: PROTECTING

X-1: Consumer Problems

OBJECTIVES:

Define fraudulent, deceptive, and quack practices
Explain why people are victims of such practices
Relate deceptive practices to loss of buying power
Present situations to determine how deception might have been avoided

VOCABULARY:

fraud
deception
quackery
door-to-door salesperson
mail-order services
unordered merchandise
"free"
"survey" or "research"
bait and switch
medical and nutritional quackery
referral plans

Some consumer problems are caused by the consumer's not knowing and not using sound buying practices. However, many consumer problems are a result of sellers who practice fraud, deception, and quackery. If you are aware of the kinds of problems to expect, you will be better prepared to handle the situation.

It is a wise consumer who remembers that not all salespersons have your interests in mind. Some sellers may use methods to pressure you into buying something you do not need or want. Some sellers try to mislead you by advertisements that trick you into accepting their point of view. Others may use fraud or deception to trick you into buying something completely different than they had advertised. You can probably keep from becoming a victim if you know what you want, have all the information you need on the product you want, and be aware of pressures and selling techniques of dishonest salespersons.

FRAUD

Fraudulent practices are illegal methods used by sellers to take away people's rights. Examples of fraudulent practices would be outright lies concerning the sale of retirement property in the "land of the sun" areas. The property was advertised as having green grass, tall oak trees, and is suppose to be walking distance to shopping centers and doctors' offices. Upon arrival at your dream retirement home you discover that you bought a section of dessert. Another example of fraudulent practice is the "you have won 10 free dance lessons" scheme. When you go to sign up for your free lessons, you discover that the 10 lessons are free only if you buy the $250 ballroom dancing lessons.

Consumers are faced each day with dishonest schemes from which they need protection. [Use transparency (p. 423).]

Most business people are honest, but--there are some whose tactics you need to know about in order to avoid being taken. [Use transparency (p. 424) and handout (p. 425)].

Door-to-door Salespeople

Of all sellers, door-to-door salespeople probably have the worst reputation. Of course, there are door-to-door salespeople who are honest. How do you tell the difference? Beware of door-to-door salespeople using one of the following leads:

- -playing on your sympathy
- -making a gift
- -attaching strings to sale--such as money off sale price for each sale made to a person whose name you give
- -stating they are under-selling others
- -stating they are cutting out the middleman
- -claiming you can't buy goods in the store
- -making unrealistic claims
- -not giving all or giving unclear information
- -insisting on an immediate sale
- -criticising their competition
- -being overly friendly

Also beware of salespeople who say:

- -"Just sign here. This statement just gives us the right to use your name." (Your may find you've signed a binding contract to buy something. Always read before you sign!)
- -"Lifetime guarantee." What does lifetime mean?--your lifetime? lifetime of the product? reasonable lifetime of the product? How long is that?

[Ask participants if they have ever heard any of these leads used by door-to-door salespeople. Discuss examples of each type of lead.]

For your own sake, before buying from any door-to-door salespeople, find out if they are authentic. If they are a stranger, question their credentials by:

1) making a check of their local address
2) checking with the Chamber of Commerce, sheriff, or city hall
3) checking with your Better Business Bureau

Have you ever compared the goods available from a door-to-door salesperson with the goods you can buy in a store? Are they equal in quality? in price? You should know the answer to these questions before you buy from a door-to-door salesperson. Shop around before you buy. The goods sold by many door-to-door salespeople can often be bought more cheaply in local stores. Religious goods, vacuum cleaners, cookware, plastic dishes, encyclopedias, and other goods are sometimes sold by door-to-door salespeople. Know the price you would pay for these goods in the store.

Before signing a contract, compare goods being sold by a door-to-door salesperson with those in stores. Here is a complaint from a woman who didn't check prices before buying from a door-to-door salesperson:

> "I bought a set of pots and pans from a door-to-door salesperson for $49. Later, I saw the same ones in a store for $15. They were very poor quality and I wanted to give them back and get my money back, but they wouldn't take them."

To help protect yourself do not let the salesperson push or rush you into a decision, insist on all the information about the product, do your own comparing of products, do not buy dreams, and above all get promises in writing.

Mail Fraud

Another kind of salesperson reaches you through your mail box. Most mail-order services are usually reliable. The many satisfied customers of nationally known mail-order houses are proof of that. The great reliability of these may have conditioned you to believe that all mail-order advertising is honest. But unfortunately there are mail-order rackets. Ads placed by dishonest persons appear in the newspapers, in magazines, and in the mail. An example of such rackets is seen in the following case:

> A man received a small package in the mail with no identifying mark on it. Inside was a request from a charity that he had never heard of located in another city. The request asked him to make a dollar contribution in return for the item enclosed. Inside the package was a small plastic letter opener worth ten cents. Thinking that his dollar would be for a good cause, however, he mailed it that afternoon, certain he would be helping someone in need. The warm feeling he had that day turned cold a few days later when he happened to read an article in his local newspaper warning that the organization to which he had contributed was an out-and-out fraud and the money was being pocketed by the person who sent the package.

What might this man have done to find out about this charity before he spent money? (Called the Better Business Bureau, Chamber of Commerce, etc.)

Insurance is another thing frequently sold through the mail. Mail-order health insurance sold by high-pressure companies can be easily detected by the informed consumer. Such companies use certain tricks which can provide clues for detecting their limited protection. Some of the most frequently used phrases are "up to" and "as high as" when describing benefits, when only one of the several benefits is equal to the maximum figures. They also often advertise that no medical exam is required, or that the health of the insured person is not a factor. In actual fact, health is a factor. Failure to list illnesses and physical conditions may give the company an escape route later when the insured person claims benefits.

How could you find out if insurance offered by mail is from a reputable company? (Call your Better Business Bureau, Chamber of Commerce, your union, your Family Service Agent.) If you don't understand what you read, get someone to help you determine whether the policy is worthwhile.

Unordered Merchandise

Sending out unordered merchandise with a request for payment is another dishonest way of getting business. Have any of you ever received something that you didn't order? What did you receive? What did you do? You are not in any way obligated to acknowledge receipt of unordered merchandise or tickets or anything else of value delivered to you or sent through the mail. Nor do you need to pay for or return it, provided you do not use it. Do not sign a "receipt" for unordered merchandise. It might easily be an installment contract. Never sign anything before you have read it or had someone else read it and are sure you understand what is says.

Subscriptions

Magazine and book subscriptions are another area where dishonest salespeople may try to take advantage of innocent buyers. Book clubs, record clubs, etc. should also be checked carefully before joining. Have you ever had a bad experience with any of these? What happened?

To protect yourself against dishonest salespeople, watch for the following selling traps either at your door, over the phone, or in a magazine or newspaper: [Use transparency (p. 426).]

> "Free"--If a salesperson tells you that you have a lucky phone number or that the publishers want to increase circulation and for that reason the subscription is free, keep your head. The offer may not be "free" at all. One frequently used trick is that you supposedly get "free" subscriptions to four magazines if--you will agree to pay the newsstand price for two others for one year. Newsstand price is always higher than subscription price, so you may really be paying more than the total subscription price to all six magazines! (Give example)
>
> "Survey" or "Research"--Some salespeople begin by telling you they are conducting a survey or doing research in order to get you to listen. Always ask such callers for their credentials. Remember, legitimate poll takers do not try to sell you anything.
>
> "Cancel any time"--Don't believe you can cancel any time unless you see it in writing in the contract.
>
> Appeals to sympathy--A popular approach with magazine salespeople is to tell you that they are working their way through college and that you can help. Other salespeople claim that they are scholarship contestants or contestants for some prize, are helping a polio victim, and so on. Don't let these appeals to your goodheartedness influence your decision. Know whether you really want and will use the books or magazines before you decide to buy.
>
> "Only a few cents a week"--This can be very misleading. Remember that pennies soon add up to dollars. What is the cost for one year? (Give examples and have students figure the cost per year.)
>
> "You have been especially selected"--If you have to pay, you haven't been selected for anything but a sucker or an easy take.
>
> "Connected with school"--If you are told that magazines or books are needed for your child's work in school, be careful. Check with the school to see if this is true before buying.
>
> "Special price"--Book salespersons often say they can offer you a special price, provided you sign now. If the salesperson won't give you time to check around to see if they are really offering a special price, chances are the so-called "special price" is not so special.

"Three volumes free with the purchase of..."--Watch out! Chances are the price of the "free" volumes is included in the purchase price of the required purchase. Check around before you buy.

Avoiding fraud and deception in advertising

Advertising can provide helpful information about price, use, features, and many other things about products or services. But some advertisements are misleading and can confuse the consumer.

The American Association of Advertising Agencies has written a Code of Ethics to help consumers know when an advertisement is trying to mislead them. Consumers should beware of advertising that includes:

1) False or misleading statements or exaggerations.
2) Testimonials that do not show the real choice of a competent witness.
3) Misleading price claims.
4) Comparisons that unfairly criticize a competitive product or service.
5) Claims that are not supported or that distort the true meaning or application of statements made by professional or scientific authority.

Bait and Switch

"Bait and switch" refers to a scheme in which an article is advertised at an attractive price to get customers into the store. Once you are in the store, the salesperson may refuse to sell the advertised merchandise. The excuse may be that they are out of the advertised merchandise, but they would be glad to show you something priced just a little higher. Or they might show you the advertised aritcle, pointing out its poor quality, noisiness, etc., then offer to show you something better at a higher price. Or the merchandise may turn out to be secondhand, damaged, or shoddy. "While you are here, wouldn't you like to look at something else?" the salesperson asks when he or she sees you are horrified at the sight of the advertised merchandise. The low price is just bait. The seller has no intention of selling the advertised article.

Sale

Learn when a "sale" is really a sale. Some stores have endless fire sales or closing-out sales or going-out-of-business sales that are not sales at all. Others do not reduce the price of their regular stock, but bring in merchandise of lower quality especially for the "sale." Some stores even mark prices up for their "sales." Beware of any store that has one sale after another!

Have you heard any of these sales pitches? Which ones?

Can you think of a store that never seems to do anything but have "sales"?

Do you think this would be a good place to trade? How can you be sure a "sale" is really a sale?

[Use take-apart visual (p. 430) to summarize these points.]

APPLICATION: Have participants role play examples of these situations. Suggestions for role play situations might include:
- A man or woman trying to say "no" to an aggressive door-to-door salesperson.
- A magazine salesperson who phones you and tries to sell you some magazines.
- A bait and switch sales scheme.

Pass out several advertisements from newspapers, magazines, and mail-order flyers, and have participants look for any fraud or deceptive practices. Use the five points from the Code of Ethics. Have participants discuss their findings.

DECEPTION

Deceptive practices are unethical methods used to mislead people. Common deceptive practices are referral plans, wholesale prices, contests, and home improvement rackets.

There are a number of deceptive practices that you as consumers should be aware of so you can better protect yourself. [Use handout (p. 427).]

Referral Plans

One type of hoax frequently played on consumers is called the "referral plan." These plans require the purchase of goods, but promise buyers bonuses for referring the company to friends who might buy the product. The bonuses, however, rarely are given. Meanwhile the buyer has signed an installment contract and must pay. Have any of you ever been offered this kind of deal? Did you get your discount?

Wholesale Prices

Unless you are in business for yourself it is unlikely that you will ever be able to buy anything wholesale. The wholesale price is the cost of an article to the retailer who buys in quantity. The retailer adds to this price a markup for the costs of running the business and profits, thus arriving at the retail price.

"Free"

Free is a word that is frequently misused. All too often "free" doesn't turn out to be so "free" after all. For example, how "free" were the prizes in these advertisements of the same sofa bed? The ads were placed in the same newspaper over a period of several months.

April 1	-	Modern Foam - Nylon Sofa Bed Free pool table with purchase	$530
April 20	-	Modern Foam - Nylon Sofa Bed Free sewing machine	$530
May 15	-	Modern Foam - Nylon Sofa Bed Free Polaroid camera	$350
June 10	-	Modern Foam - Nylon Sofa Bed	$245

Contests

Contests are a gimmick frequently used to attract buyers. Most contests sponsored by well-known stores are honest, but some contests have no winners, or winners must buy something in order to get their prizes.

> For example, Maria received a letter telling her that she had won a $50 discount on a sewing machine in a contest she had entered. On arriving at the store she noticed that the price on the sewing machine was extremely high. Maria figured she would be paying full price for the machine, even with the discount, so she turned down her "free prize."

Home Improvement Rackets

Home improvement rackets are frequently costly to homeowners. Believe it or not, Americans lose millions of dollars each year to dishonest contractors in the fields of painting, building, roofing, siding, and related trades. A typical "con job" goes like this:

> A company advertising itself as a specialist in aluminum siding sends a representative to speak to a homeowner. They convincingly propose that because of its ideal location, the company has chosen your home to be photographed to show the "before" and "after" appearance. The salesperson promises that the company will pay the homeowner for the use of the photographs and that, in addition, it will pay a special bonus for every homeowner in the area who places an order for aluminum siding as a result of the advertisement. Very often they go so far as to offer a further inducement such as 10,000 trading stamps in order to entice the homeowner to agree. If the homeowner falls for the scheme, the salesperson then pulls out a big stack of papers which they say are nothing more than "authorization forms." In reality the papers consist of an installment sales contract with many carbon copies as well as a blank Trust Deed. The sad ending is that the company will probably never take any pictures and the homeowner has agreed to pay $4000 for the aluminum siding.

Another favorite trick frequently used with women or older people is the "scare" approach. This method is frequently used by dishonest repairpeople who claim that something terrible is going to happen in your home if it isn't fixed right away. They then volunteer to do the repairs at an extremely high price. One example may be termite inspectors who may even go so far as to produce a termite-eaten board supposedly from underneath your house.

How to be a wise consumer

How can you avoid these costly rackets and be sure the merchants you deal with are honest? Here are some suggestions for being a wise consumer.

Before buying from any door-to-door salesperson, find out if they are honest. If they are a stranger, ask them for their identification and then:

- make a check of their local address.
- check with the Chamber of Commerce, sheriff, city hall, or your local Better Business Bureau.

Before you sign a contract, compare the goods offered by the door-to-door salesperson with those in stores.

Make certain you can get service on parts and equipment.

Get information before making buys, particularly when the purchase will involve a large quantity of money or where repeated buys will total large sums.

Read contracts before signing.

Remember that you are not required to pay for unordered goods you receive through the mail provided you do not use them.

Deal with honest merchants or servicepeople.

Don't be afraid to say "no" to goods you do not need or want.

Listen carefully to the sales talk. What is the salesperson really saying? What do they mean?

If you are "taken," report it to local authorities. You may not get your money back, but you may save someone else from getting hooked.

Report dishonest practices to the Better Business Bureau.

Beware of weight reducing, phony medical care, or other schemes received through mail which appear dishonest.

[Use take-apart visual (p. 430) to summarize these points.]

Role play situations similar to those given to help participants practice detecting schemes and saying "no."

QUACKERY

[Use transparency (p. 428).] Which "doctor" would you think is the quack? What about the other one? How can you tell if the person is honest? Can you always judge a person's honesty by their looks? [Use handout (p. 429).]

Medical and nutritional quackery is another large area of deception. Usually, the phony looks like a real doctor. They are kind and patient and usually have plenty of time to listen to your problems. While there's no sure rule for detecting a quack, if you must answer "yes" to any of the following questions, you should probably beware.

1) Does the "doctor" use a special machine or "secret" remedy available from no one else that they claim will cure diseases?
2) Do they say the medical profession is against them and has been trying to suppress their wonderful discovery? (This is one of the surest signs.)
3) Do they say that surgery, X-rays, and drugs will cause more harm than good?

4) How did you hear about the remedy--or the "doctor"? Was it through an advertisement? (Most drug companies rely on doctors to prescribe their medicines to patients who need them.)
5) Are testimonials from "cured" patients prominently displayed? (You have only their word to support the fact that they were sick when they first came to the doctor.)
6) Can you buy the remedy through the mail? (Have you seen or heard about any of these things in a magazine, or newspaper or on the radio: Dental plates or eyeglasses by mail order, advertisements which promise to cure arthritis, cancer, epilepsy, diabetes, high blood pressure, kidney and bladder ailments, or ulcers with special treatments, medicines, or diets? More than likely these advertisements are entirely false. Using cure-all products instead of seeing a qualified doctor may lead to additional problems or even death.)

Listen to the following examples:

George Smith was a husky construction worker. He had never missed a day's work because of illness. His company required routine physical examinations each year. During an examination, the doctor discovered a tumor in his shoulder and sent George to a specialist. The specialist told him he must have a serious operation at once to save his life. Shocked, George refused. How could serious surgery be necessary when he was only 25 and felt great? A few days later a friend recommended a "healer" who said that George could be cured without an operation by using special treatments. A year later and several months after the pain in his shoulder became severe, George admitted that he might have made a mistake. He went back to the doctor and told the doctor he was ready for the operation. The surgeon agreed to operate, but had to tell George that now it was probably too late.

Then, there was Julie, who woke one night with terrible pains in her stomach. Her grandfather suggested that they take her to a "doctor" who could make aches disappear by twisting one's head and giving the spine a good jolt. The "doctor" knew all about Julie's trouble, all right. The "doctor" used a vibrator and worked with her for a long time. The bill was high but Julie's pains had disappeared so her family thought it was worth it. Hours later, however, her temperature rose higher than it was before and she cried in pain. Finally, the family rushed her to the hospital. Julie's appendix was ruptured and it was almost two weeks before she was out of danger.

Why do you think people go to quacks like these when for the same money they could be getting the services of a real doctor?

What could the people in the examples have done to avoid these quacks?

[Use take-apart visual (p. 430) to summarize these points.]

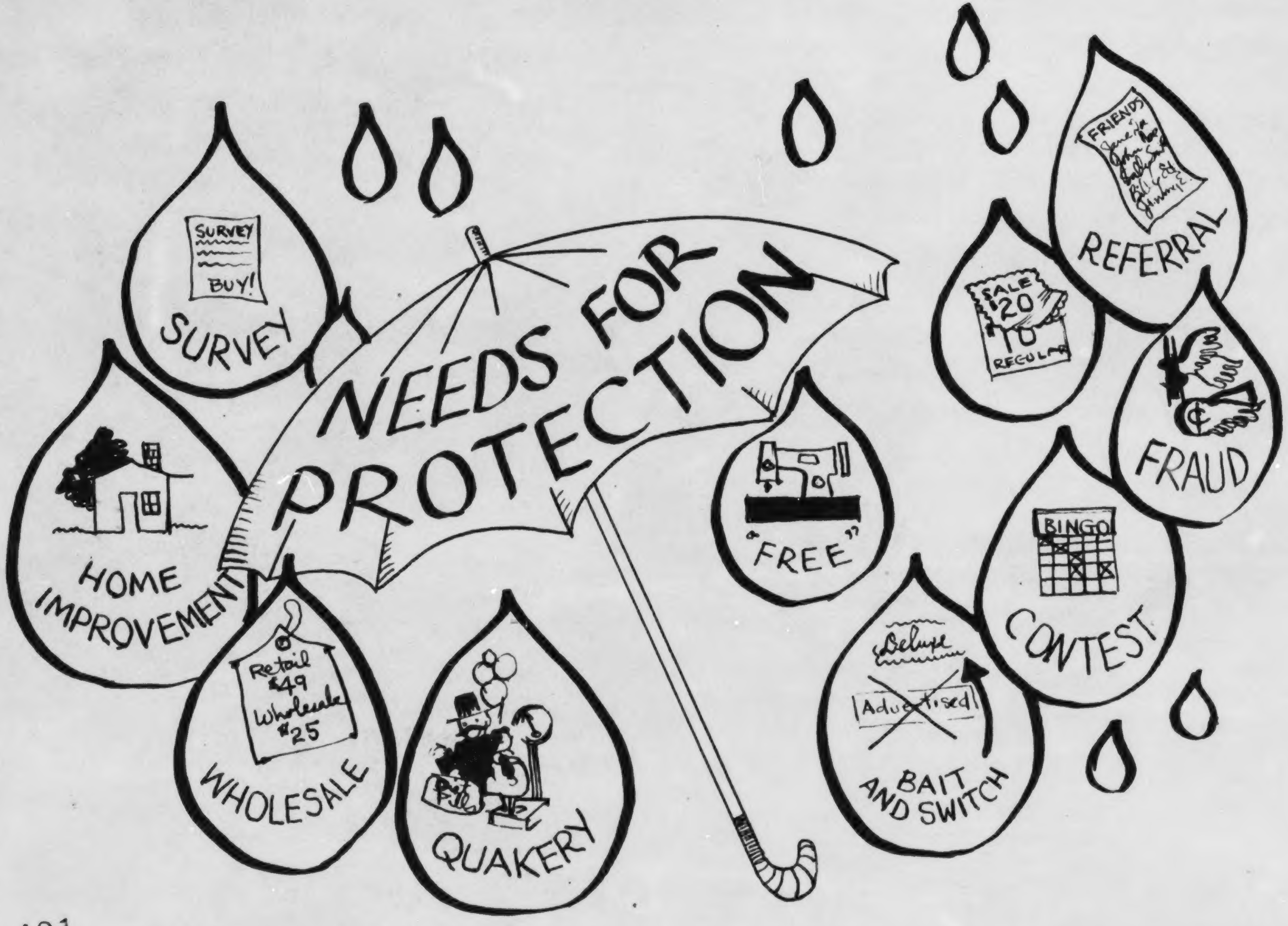
APPLICATION: Bring some ads that are examples of some of the things we talked about today to our next class meeting. Suggest that participants share the handouts with friends and neighbors, so they can avoid being taken, too.

KEY IDEAS: Understanding of fraud, quackery, and deception aids the consumer in protecting themselves in the market place.

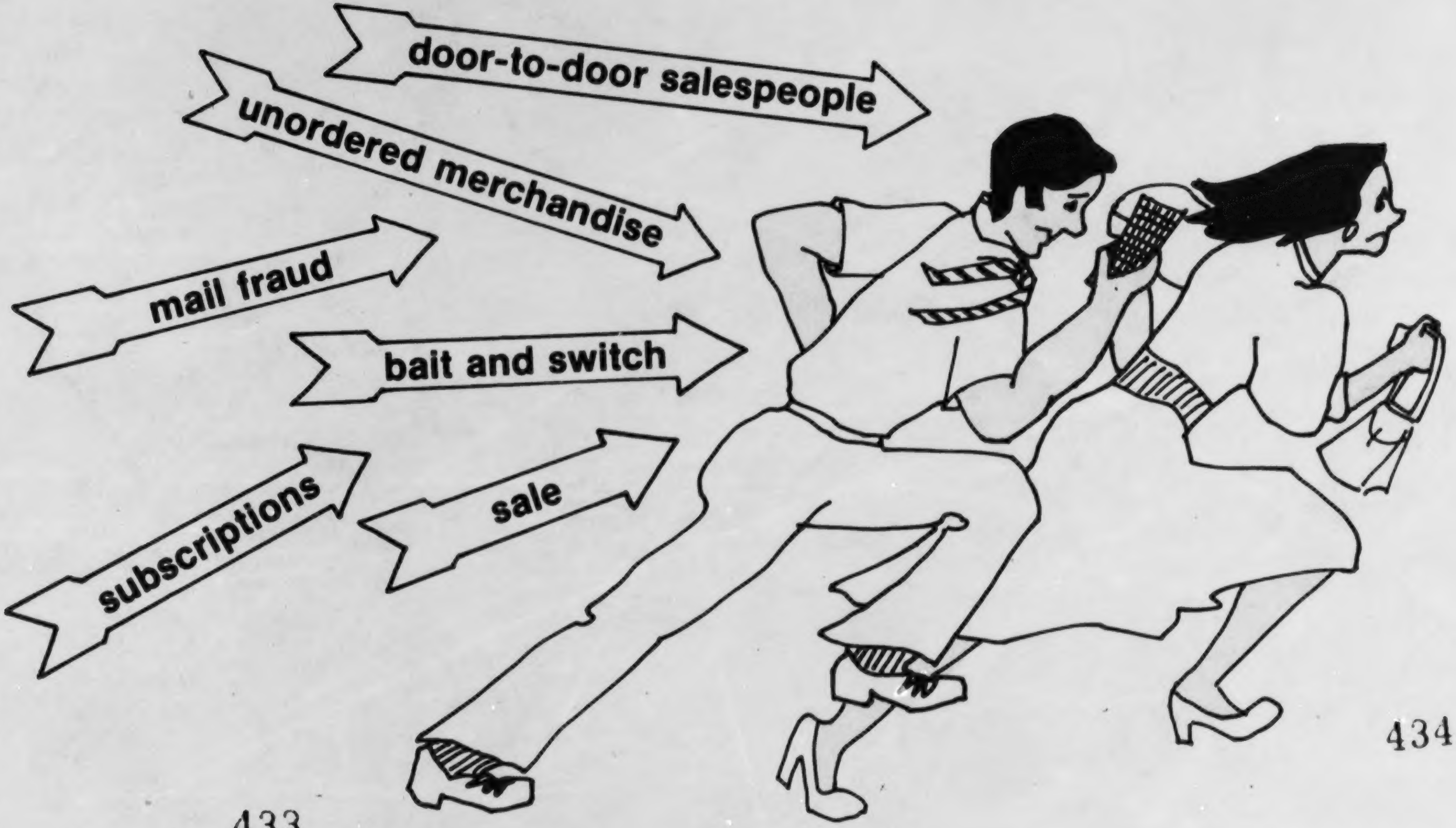
Many consumer problems could be avoided if consumers were informed about dishonest sellers and unwise buying practices.

Wise consumers know all the information about goods and services before buying.

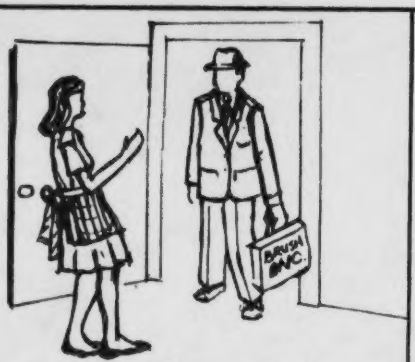
Informed consumers should be able to evaluate sales and advertising practices to avoid unnecessary problems.


NEEDS FOR PROTECTION
SURVEY
BUY!
SURVEY
HOME IMPROVEMENT
Retail $49 Wholesale $25
WHOLESALE
QUAKERY
"FREE"
Deluxe
Advertised
BAIT AND SWITCH
BINGO
CONTEST
SALE 20 10 REGULAR
FRIENDS
REFERRAL
FRAUD

RUN FOR YOUR POCKETBOOK

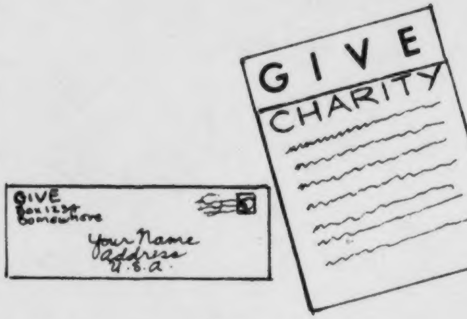

door-to-door salespeople
unordered merchandise
mail fraud
bait and switch
subscriptions
sale

FIGURED FOR FRAUD



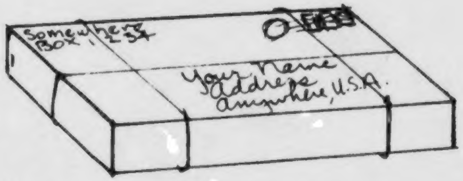
Door-to-door Salespeople

What's their lead? What promises do they make? What's the price? the quality? Check their address READ BEFORE YOU SIGN!


GIVE
CHARITY
GIVE
Box 1234
Somewhere
Your Name
Address
U.S.A.

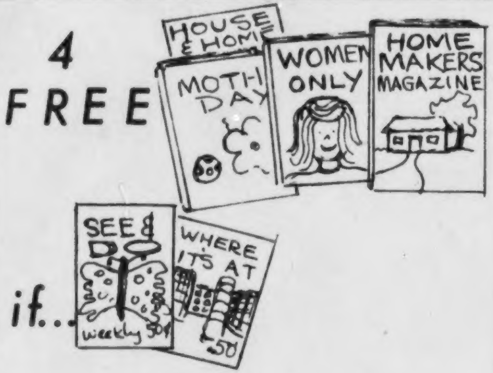
Mail Fraud

Who's it from? What must I do? How much will it cost? How good is it?


Somewhere
Box 1234
Your Name
Address
Anywhere, U.S.A.

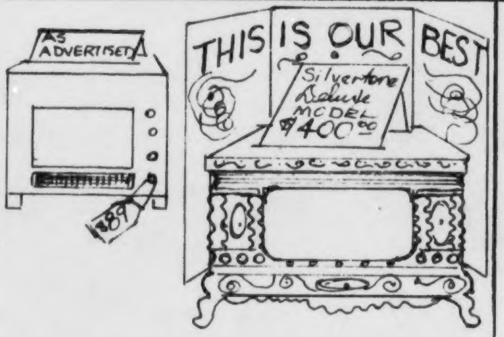
Unordered Merchandise

Did someone in your family order it? You don't have to pay for it or return it, if you don't use it.


4
FREE
if...
HOUSE & HOME
MOTHER'S DAY
WOMEN ONLY
HOME MAKERS MAGAZINE
SEE & DO
Weekly 50¢
WHERE IT'S AT
50¢

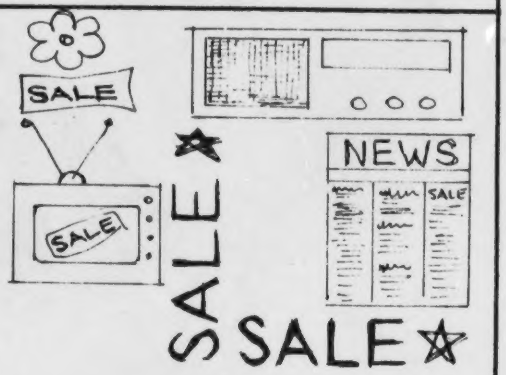
Subscriptions

What's the catch? How much will it cost in all? REMEMBER--FEW THINGS ARE REALLY FREE!


AS ADVERTISED
$89
THIS IS OUR BEST
Silvertone Deluxe MODEL $400.00

Bait and Switch

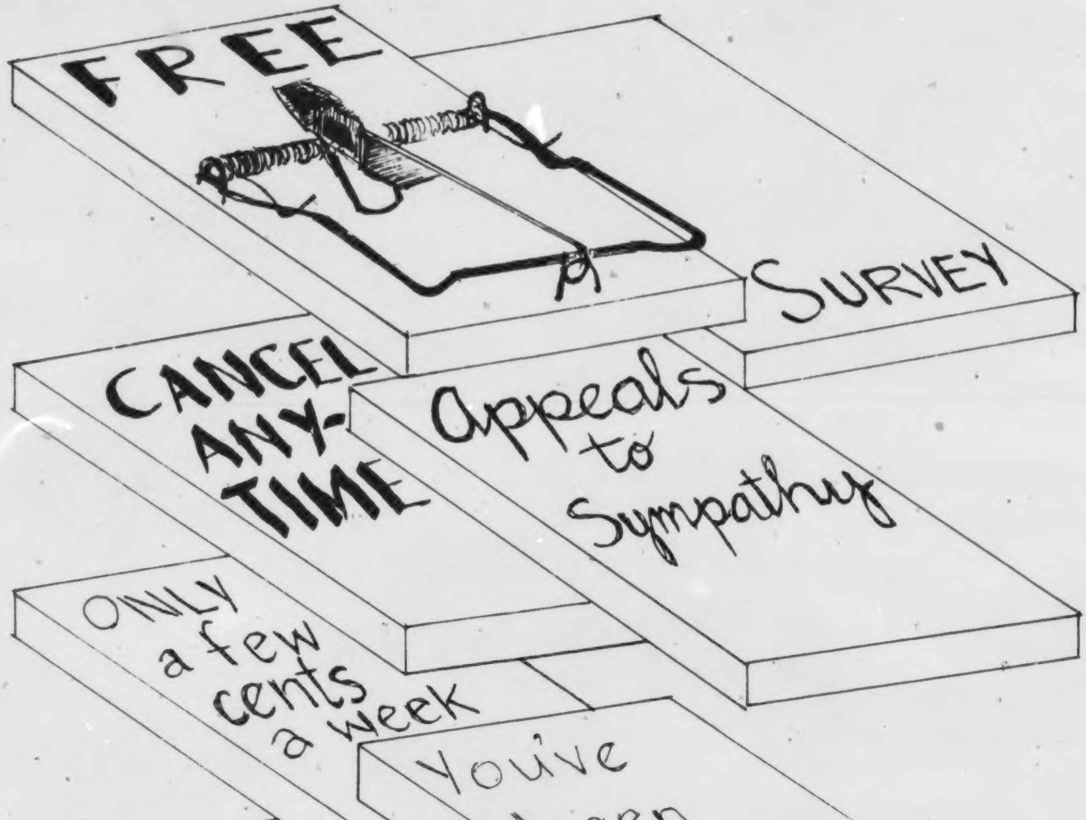
Is merchandise really for sale? Does salesperson try to show you something higher priced or criticize the sale item?


SALE
SALE
SALE
NEWS
SALE
SALE

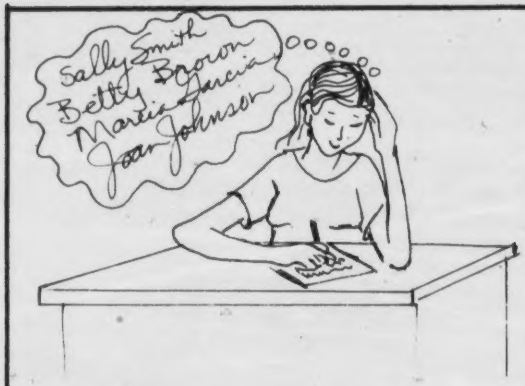
Sale

Is it really a sale? How do prices compare with those in other stores? What about quality?

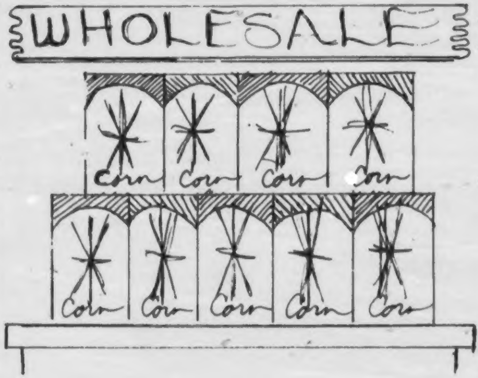
Watch Out For These Traps


FREE
SURVEY
CANCEL ANY-TIME
Appeals to Sympathy
ONLY a few cents a week
You've been especially selected
Connected with School
SPECIAL PRICE
THREE VOLUME FREE
WITH PURCHASE OF

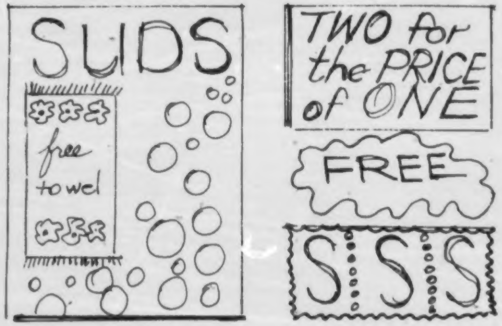
DESTINED TO DECEPTION


Sally Smith
Betty Brown
Marcia Garcia
Joan Johnson

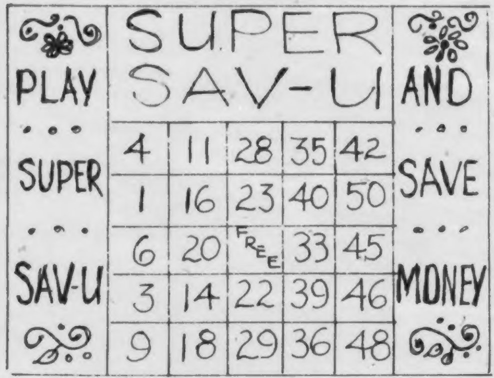
Referral Plans
Are you promised a discount if friends whose names you give buy?


WHOLESALE
Corn

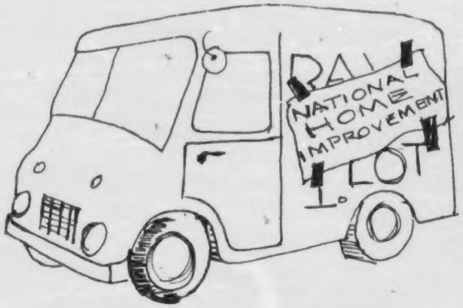
Wholesale Prices
If the seller is a retailer, they can't sell wholesale.


SUDS
free towel
TWO for the PRICE of ONE
FREE
$ $ $

Free
Remember--few things are really "free."

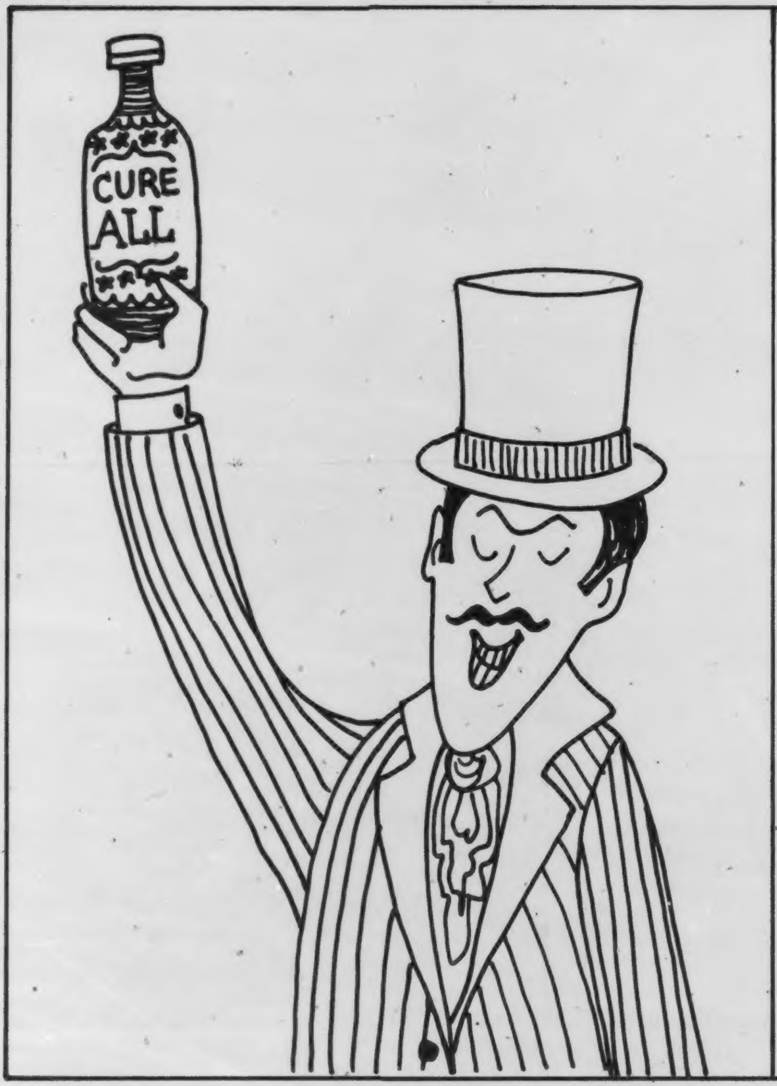

SUPER SAV-U
PLAY
SUPER
SAV-U
AND
SAVE
MONEY
4 11 28 35 42
1 16 23 40 50
6 20 FREE 33 45
3 14 22 39 46
9 18 29 36 48

Contests
Who were the winners? Do you have to buy something in order to get your prize?

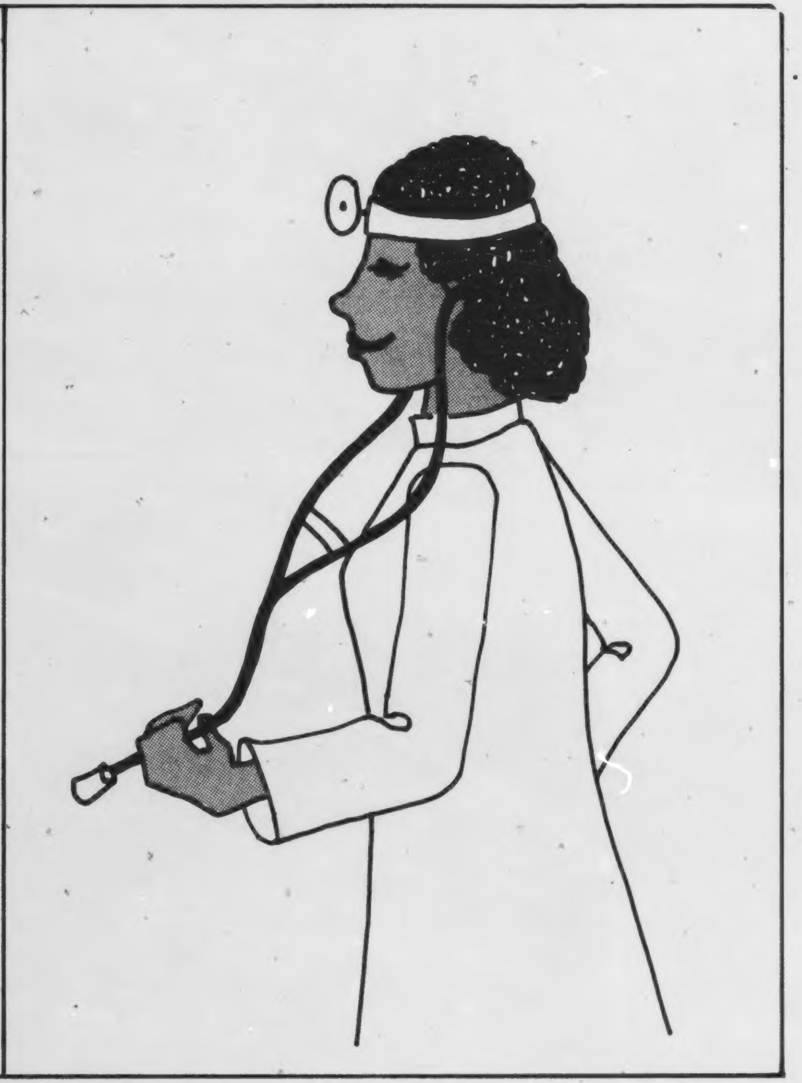

NATIONAL HOME IMPROVEMENT

Home Improvement Racket
Are you promised free stamps, payment for using your home for advertising purposes? Does the repairperson use the scare approach? READ BEFORE YOU SIGN!

BEWARE OF THESE

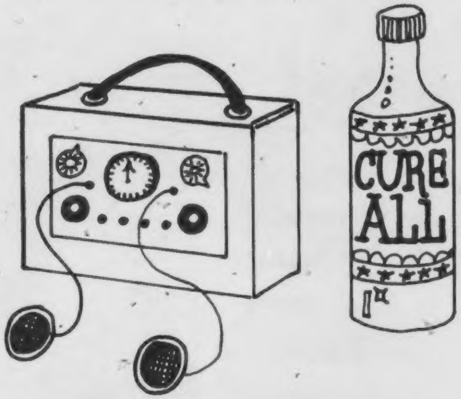


440

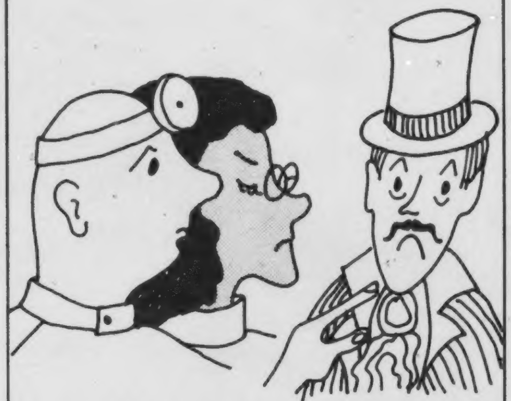


441

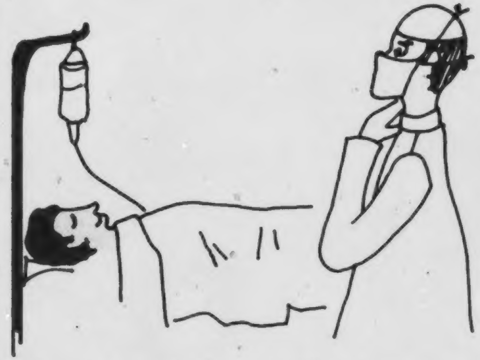
CUES TO QUACKERY
(Handout)



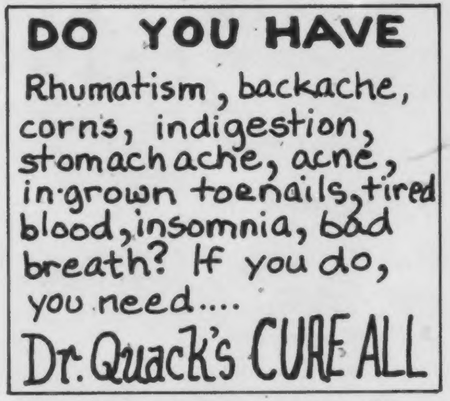
Does the doctor use a special machine or "secret remedy"?



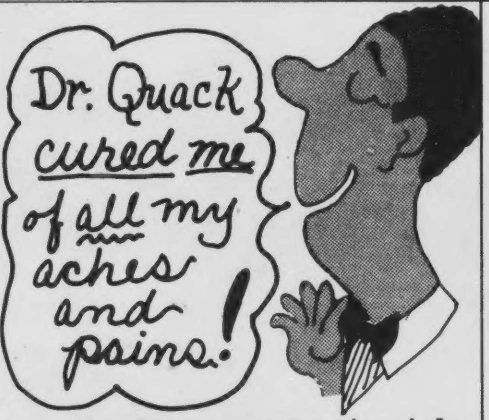
Do they claim that the medical profession is against them?



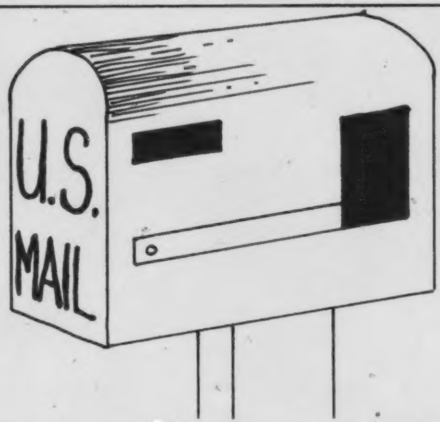
Does the doctor say surgery and X-rays are bad?


DO YOU HAVE
Rhumatism, backache, corns, indigestion, stomachache, acne, in-grown toenails, tired blood, insomnia, bad breath? If you do, you need....
Dr. Quack's CURE ALL

How did you hear about the remedy or the doctor?

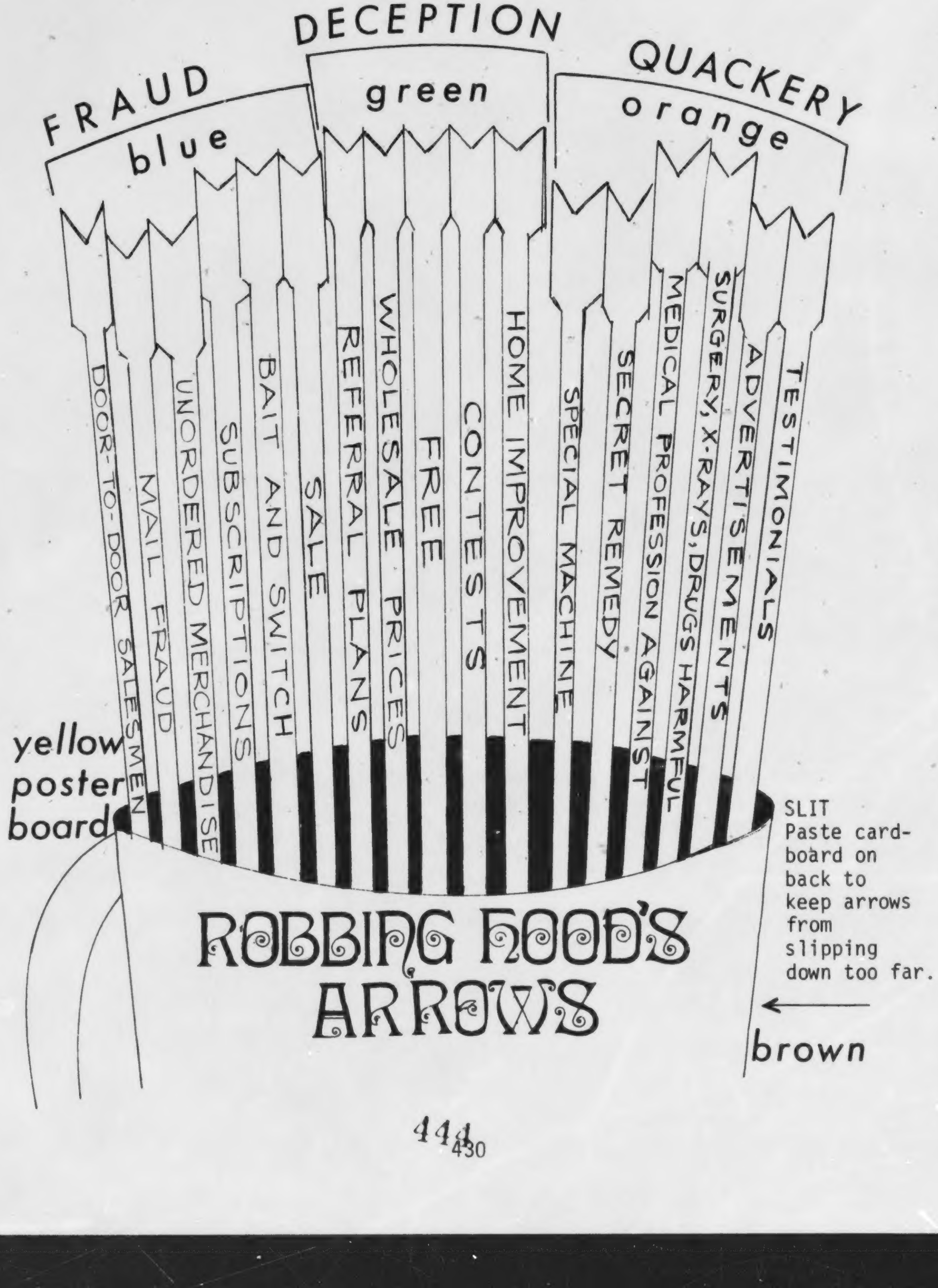

Dr. Quack cured me of all my aches and pains!

Does the doctor use testimonials from "cured" patients?



Can you buy the remedy through the mail?

Don't Be Shot By These Arrows!


DECEPTION
green
FRAUD
blue
QUACKERY
orange
DOOR-TO-DOOR SALESMEN
MAIL FRAUD
UNORDERED MERCHANDISE
SUBSCRIPTIONS
BAIT AND SWITCH
SALE
REFERRAL PLANS
WHOLESALE PRICES
FREE
CONTESTS
HOME IMPROVEMENT
SPECIAL MACHINE
SECRET REMEDY
MEDICAL PROFESSION AGAINST
SURGERY, X-RAYS, DRUGS HARMFUL
ADVERTISEMENTS
TESTIMONIALS
yellow poster board
ROBBING HOOD'S ARROWS
brown

SLIT
Paste cardboard on back to keep arrows from slipping down too far.

DIRECTIONS FOR TAKE-APART VISUAL

Materials Needed:

1 sheet each of yellow, blue, green, and orange posterboard
Brown construction paper
Construction paper and/or black felt-tipped marking pens for lettering
Glue
Razor blade

Instructions:

Cut quiver from brown construction paper.
Glue in center of yellow poster board.
On quiver print, "Robbing Hood's Arrows."
Cut a slit along the lower lip of quiver to hold arrows.
On back glue scrap of cardboard to keep arrows from slipping too far down. (Be sure to leave space unglued to hold points of arrows.)
Cut arrows from blue, green, and orange posterboard as indicated on p.
Use marking pen to print on arrows as indicated on p.
Above each group of arrows print or paste letters from construction paper for the words, FRAUD, DECEPTION, QUACKERY.
Title visual: Don't Be Shot by These Arrows!

UNIT X: PROTECTING
X-2: Consumer Protection

OBJECTIVES:

List legislation which protects the consumer from being cheated
Explain how federal, state, and local agencies help consumers reduce fraudulent, deceptive, and quack practices
Give examples of sources or agencies who's help is available to the consumer in specific situations

VOCABULARY:

Truth in Lending Act
Truth in Packaging Act
Food, Drug, and Cosmetic Act
Federal Hazardous Substance Labeling Act
Textile Fiber Product Identification Act
Fair Credit Reporting Act
Warranty-Federal Trade Commission Improvements Act
Automobile Information Disclosure Act
Child Protection and Toy Safety Act
Food and Drug Administration
Public Health Service
Department of Agriculture
Federal Trade Commission
Anti-trust Division of the Department of Justice
Post Office Department
Office of Consumer Affairs
Better Business Bureau
Testing Services
American Council on Consumer Interests
Professional Associations

Consumers need protection because of the complex market system in America. Since there are so many products on the market, many products are complicated, and some sellers are dishonest, federal, state, and local governments have passed laws to protect consumers. Federal laws protect all consumers, but state and local protection for consumers is different in each state and city.

Federal protection

Federal laws cover a number of various consumer problems. This list describes the more important federal laws. [Make a handout of the following information. Use transparencies (pp. 438-441). NOTE: Not all the legislation on the transparencies are discussed in this lesson. If you feel there are some which should be covered please feel free to do so.]

1) Truth in Lending (Consumer Credit Protection Act): Tells consumers the exact credit charge on purchases and loans. Charges have to be printed in bold type stating interest both in dollars and cents and annual percentage rate.

2) Truth in Packaging (Fair Packaging and Labeling Act): Helps consumers to do comparative shopping. The laws requires that net contents, size of serving, list of ingredients in order of decreasing weight, standard, style, etc., must be on all labels.

3) Food, Drug, and Cosmetic Act: Lets consumers know the safety, purity, and wholesomeness of food, the safety and effectiveness of drugs, and the safety of cosmetics. The act states that all products shall have labels containing true and informative information about the product.

4) Automobile Information Disclosure Act: Helps consumers do comparative shopping of new cars. Requires that each car be labeled listing the suggested retail price, price of extras, estimated gas mileage, and total price.

5) Child Protection and Toy Safety Act: Protects children from dangerous items such as toys. It is now against the law to ship and sell dangerous items from state to state.

6) Federal Hazardous Substances Labeling Act: Requires warning labels to inform consumers of possible hazards. Label lists precautions for use and first-aid procedures in case of accident. [See handout (p. 442).]

7) Textile Fiber Product Identification Act: Requires labels on textiles to list fiber content by weight (percent of total weight), name and address of manufacturer, generic name of fiber, etc.)

8) Fair Credit Reporting Act: Lets consumers check the information about their credit rating kept on file by the credit bureau. Consumers have a right to know who gave the information in the file and names of those who were given credit reports within the last six months.

9) Warranty-Federal Trade Commision (FTC) Improvements Act: Protects the consumer against warranties that are not fulfilled. Requires minimum standards for written warranties, states written warranties must be made available before the sale of a product, and provides for class-action suits if warranties are not carried out.

Federal agencies which enforce consumer protection

There are many federal agencies that have been set up to serve the consumer. Fortunately for all of us these agencies work to protect consumers so that we do not have to do all the work ourselves. Let's see what federal agencies are working to protect us: [Use transparency, (p. 443) to illustrate federal protection of the consumer.]

Food and Drug Administration (FDA)--The job of the Food and Drug Administration is to see that food, drugs, and cosmetics used by the American people are pure, wholesome, and sanitary. Food must be produced under healthful conditions; drugs and devices should be safe and effective; and cosmetics must be harmless and honestly described.

Public Health Service--A division of the Department of Health, Education, and Welfare, the Public Health Service is responsible for helping to prevent disease and protect health and medical research and administer a program of inspection and guidance that helps maintain high standards of health and sanitation.

Department of Agriculture--One of its most important services is its inspection of meat. All meat and poultry shipped from one state to another must be inspected by the Department of Agriculture. The Department also administers a program of voluntary grading of farm products, which enables the grocer to obtain the qualities of foods that the consumer wants. Show these seals on products.

Federal Trade Commission (FTC)--The Federal Trade Commission has as its principal objective the maintenance of free and fair competition between businesses in the American economy. Much of the Commission's work is devoted to the elimination of false and misleading advertising. When the FTC finds evidence of deceptive advertising, a formal complaint is sent to the advertiser. If he does not agree to stop the deceptive practice, the Commission has the power to issue an order forbidding further use of this advertisement. This is called "a cease and desist order."

Antitrust Division of the Department of Justice--This agency is responsible for prosecuting violations which endanger fair and complete competition between businesses.

Post Office Department--The purpose of the Postal Inspection Service is to prevent fraudulent activities involving the United States mail. The mails are frequently involved in such things as the sale of worthless stock and fake medical cures. It also protects the public against theft of property in the mails.

Office of Consumer Affairs: President's Committee on Consumer Interests--(1) acts as the consumer voice in the Administration, (2) coordinates consumer activities of governmental agencies, (3) recommends legislation, (4) facilitates communication on consumer affairs between government, consumers, business, the states, and other organizations, (5) acts as an Administrative ear for comments from individual consumers, (6) promotes consumer education, and (7) helps disseminate information of use to the consumer.

State and local protection

As we have said at the beginning, state and local consumer protection varies across the country. Some states and cities have good laws and ordinances to protect consumers, and others have very few laws. [Gather information of your town and state to see what unfair trade practicies are listed to protect consumers.]

Unfair-trade-practice legislation is much like the Federal Trade Commission rules for interstate commerce. These laws help stop practices like false or misleading advertising, misrepresentation of goods sold, and sale of defective goods within a state. The state attorney general handles these complaints of unfair-trade-practices within each state. Charges can lead to court action or loss of the business license.

State and local protection agencies

There are many state, county, and local government agencies established to help consumers. Usually, at the state level, the agency is part of the attorney general's office. In other states consumer protection may be divided into many departments, like the agriculture department, the insurance commissioner, and the department of weights and measures.

Many local governments have offices set up to handle consumer protection. Some voluntary consumer protection agencies such as consumer action panels, consumer affairs departments, or citizen organizations for consumerism.

Some businesses also voluntarily contribute to the protection of the consumer.

> Better Business Bureau--When you need experienced information or facts before making an important purchase, when you have a specific question or complaint, all you, the consumer, need to do is to get in touch with your nearest Better Business Bureau. Phone, write, or come in person. Better Business Bureau services are absolutely free--no charge, no strings attached. The business community supports the Better Business Bureau, which in turn provides consumers with this free service. If there is not a Better Business Bureau in your community, you may write to: National Better Business Bureau, Inc., 230 Park Avenue, New York, New York 10017.
>
> Here are some of the things the Better Business Bureau does for the consumer: It gives information about businesses, whether or not customers have had problems, and type of problems and how they were solved. It handles complaints, checks advertising claims, and develops standards in advertising and selling. [A field trip, speaker, or movie on the Better Business Bureau might be helpful here. The film, "The Better Business Story," is available on free loan from your nearest Better Business Bureau.]
>
> Testing Services--Testing agencies are organizations which test different products to see if they work as they should. Then they report on the quality of the product. Some testing services give seals of approval to products that have passed their tests. Examples include: Good Housekeeping, McCall's, Parent's Magazine, Underwriters Laboratory, and American Gas Company. Show samples of their seals on products.

Private Sources of Aid:

In addition to the protection of federal, state, and local agencies, many businesses, trade associations, and concerned citizens have set up private sources for consumer protection. These private sources of aid help consumers join together to see that their interests are protected.

> Testing Services--Some testing services are not supported by business. They are supported privately by consumers. Two of these are well-known. They are Consumers' Research, which publishes Consumers' Research Magazine and Buying Handbook, and Consumers Union, which publishes Consumer Reports. These journals are usually available in public libraries. (Show copies of these.)

American Council on Consumer Interests--This is a nonprofit organization serving consumers primarily through the publication of a series of booklets dealing with issues that are important to consumers. It publishes a newsletter, serves as a clearing house for consumer information materials, and conducts an annual conference devoted to consumer problems. (Write for further information to: American Council of Consumer Interests, 238 Stanley Hall, University of Missouri, Columbia, Missouri 65201.)

Professional Associations--Legal Aid Societies. These societies or bureaus give legal advice to persons who cannot afford the services of a lawyer. People who have problems concerning debts will find legal aid societies or bureaus very helpful. These bureaus stand ready to protect their rights and opportunities.

We have just discussed a few of the agencies which help consumers. [Pass out handout, Government Agencies (p. 444), and discuss agencies not covered]

All of these organizations do things to help you as a consumer get the most and best you can expect for your money. But they cannot completely regulate every business in the United States.

It is up to you as a consumer to know your rights and know what agencies could help you solve a consumer problem.

APPLICATION: Give examples of problems and let participants determine how they would handle the situation and which agency might be able to help.

Have participants complete summary chart (p. 445).

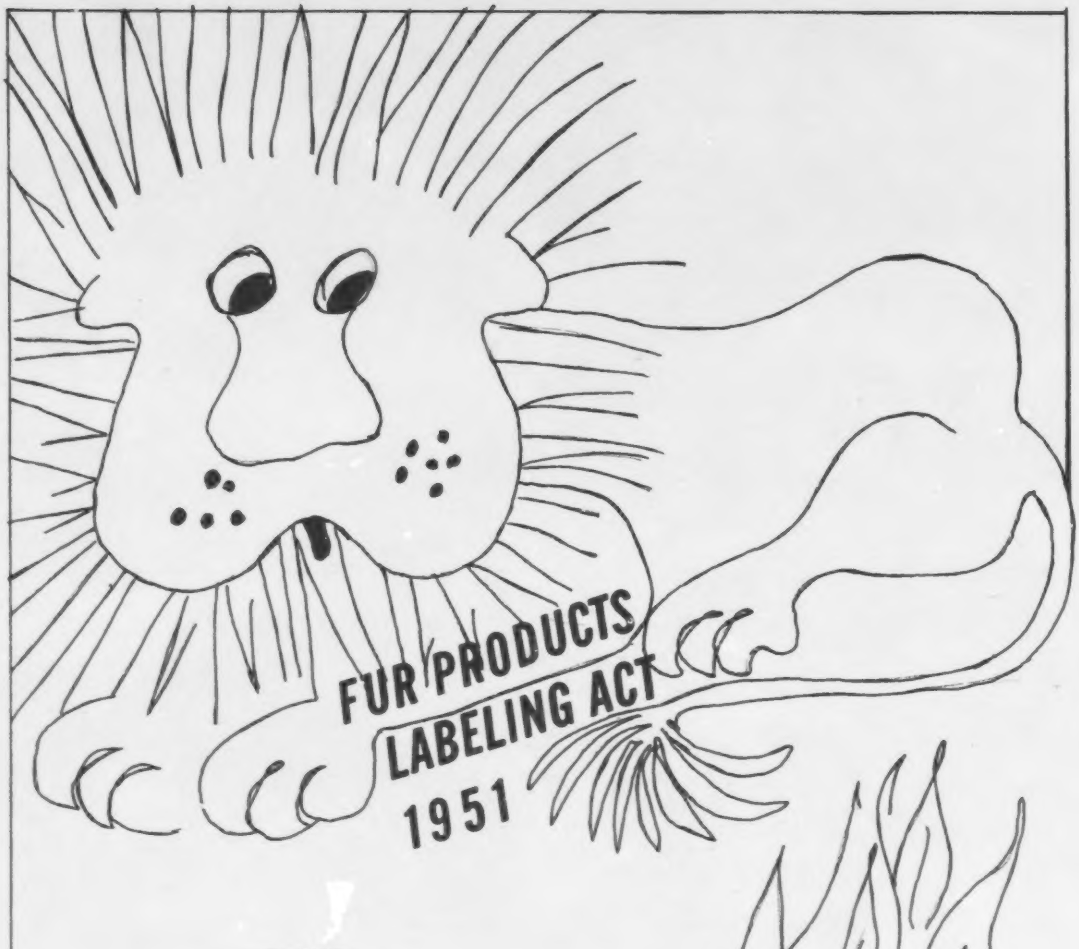
KEY IDEAS: Federal, state, and local laws provide some protection for consumers.

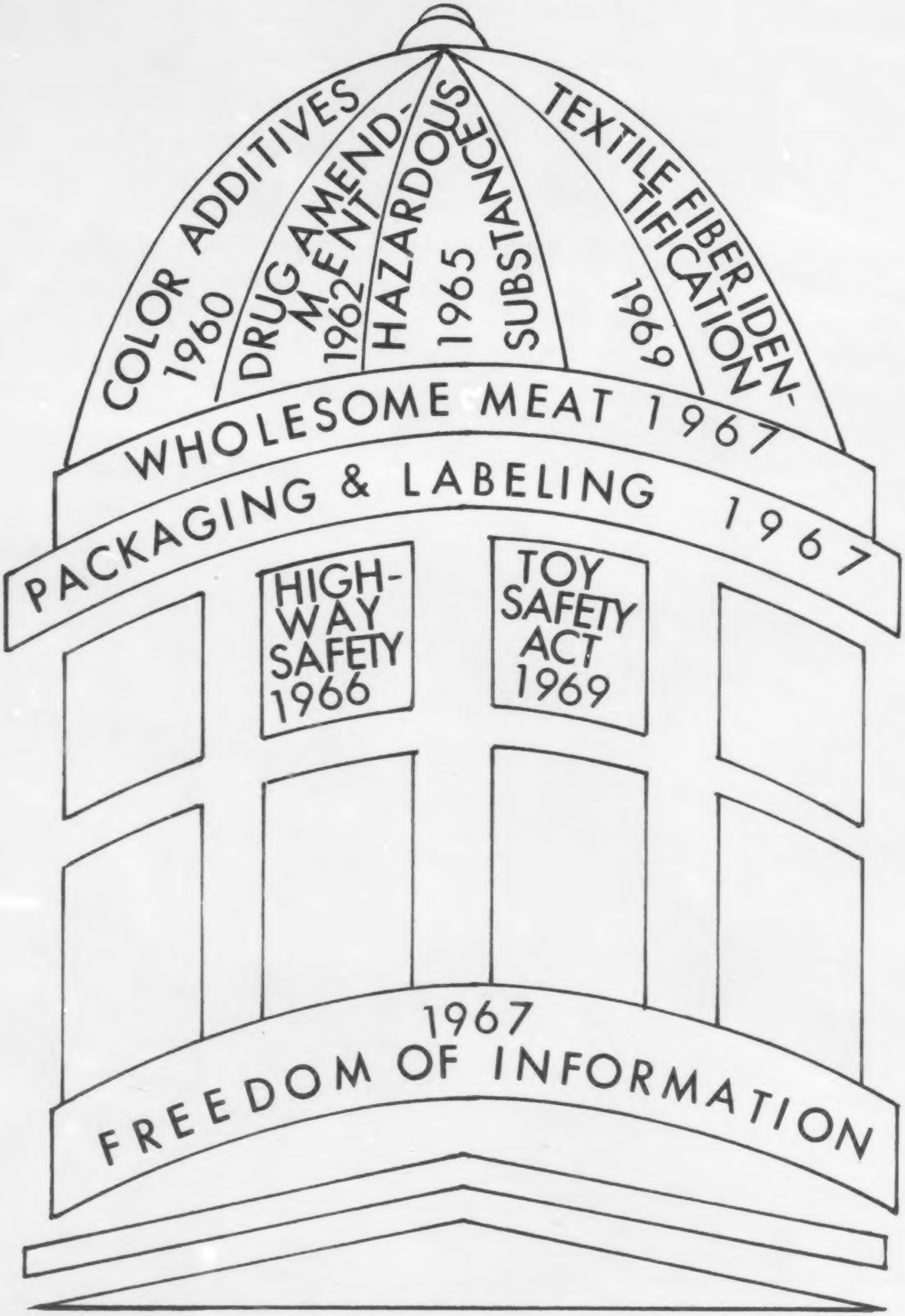
Knowing about the laws which protect the consumers helps you be a more responsible citizen.

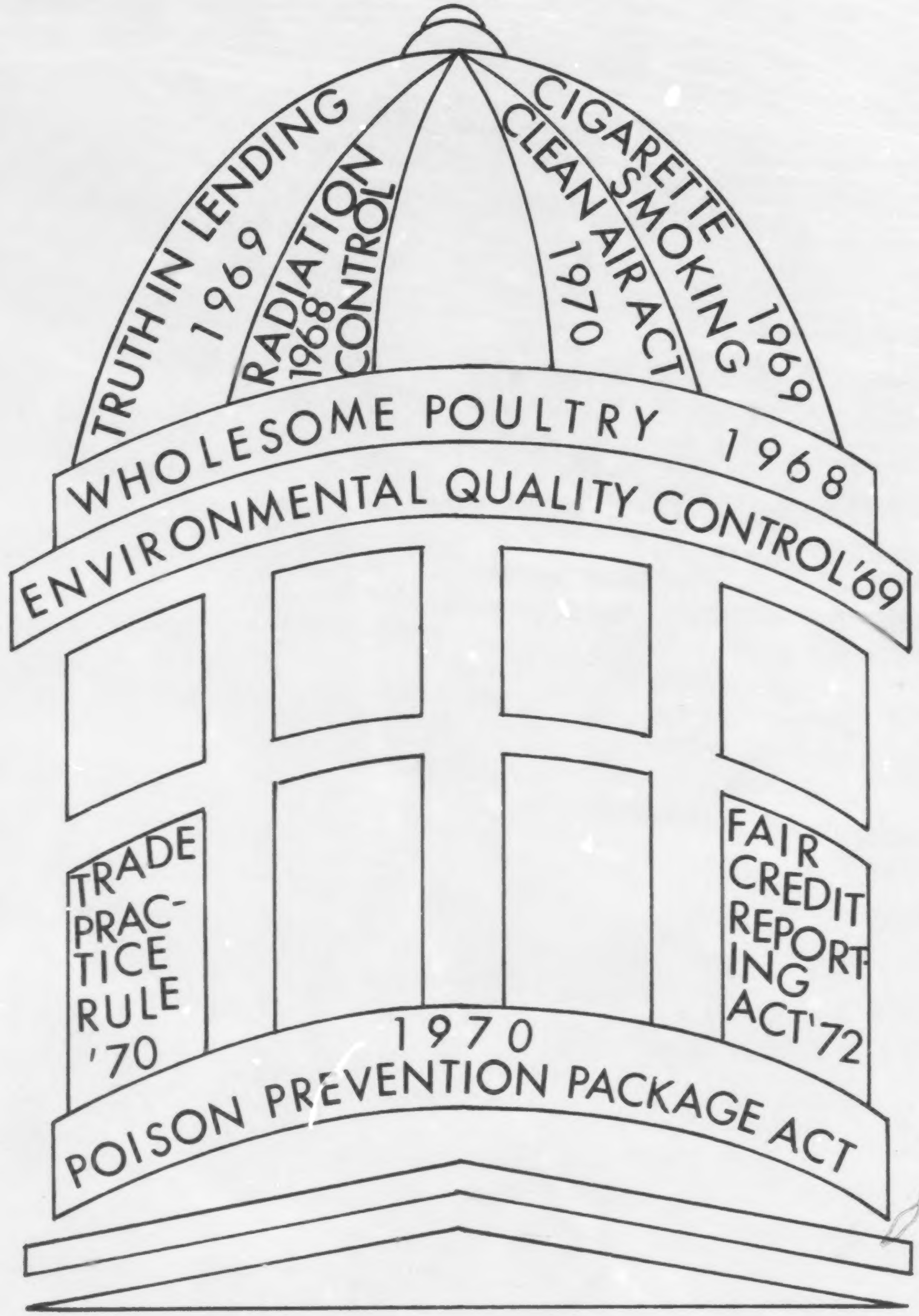
Taking advantage of available sources of help can help reduce fraudulent, deceptive, and quack practices

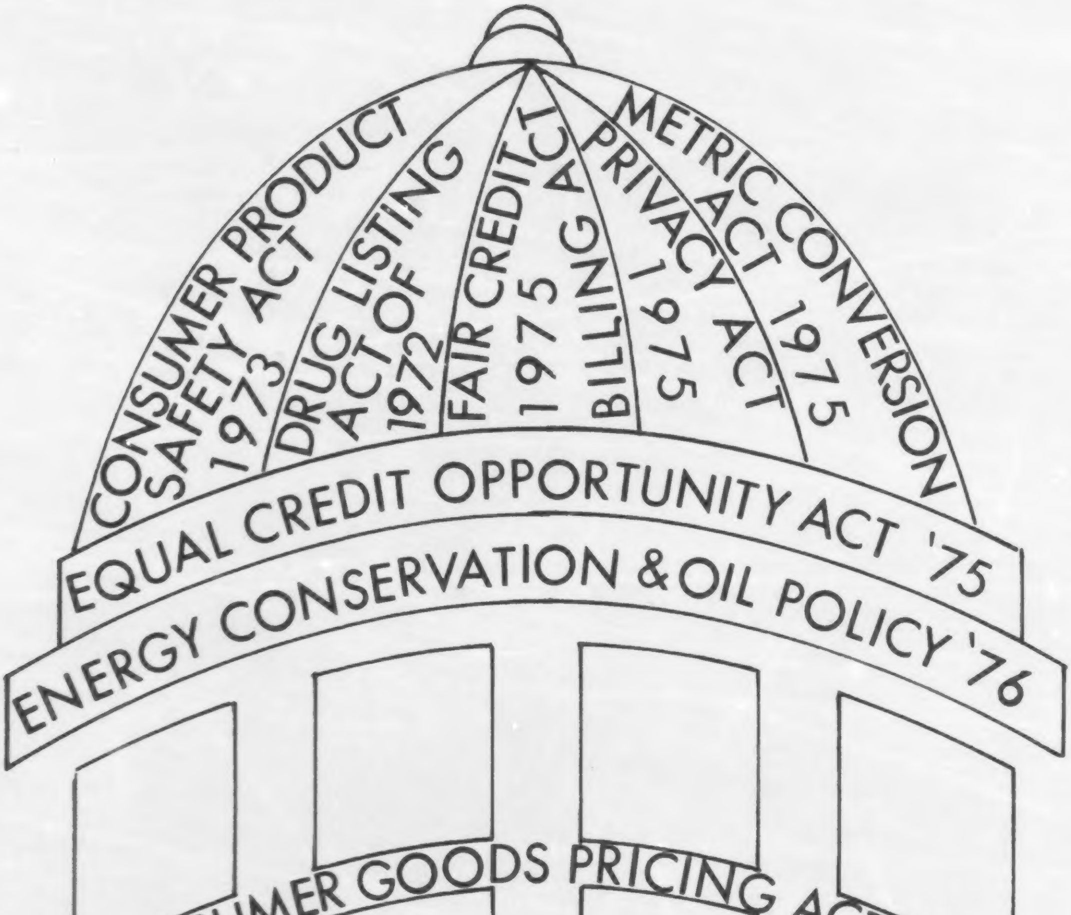
Cooperation and public interest are necessary to enforce laws protecting the consumer.

Consumers should know who to contact when they suspect unfair or illegal practices.


FUR PRODUCTS
LABELING ACT
1951
Automobile Disclosure
Act of 1959
Flammable
Fabrics Act 1953


COLOR ADDITIVES 1960
DRUG AMENDMENT 1962
HAZARDOUS SUBSTANCE 1965
TEXTILE FIBER IDENTIFICATION 1969
WHOLESOME MEAT 1967
PACKAGING & LABELING 1967
HIGHWAY SAFETY 1966
TOY SAFETY ACT 1969
1967 FREEDOM OF INFORMATION


TRUTH IN LENDING 1969
RADIATION CONTROL 1968
CLEAN AIR ACT 1970
CIGARETTE SMOKING 1969
WHOLESOME POULTRY 1968
ENVIRONMENTAL QUALITY CONTROL '69
TRADE PRACTICE RULE '70
FAIR CREDIT REPORTING ACT '72
1970 POISON PREVENTION PACKAGE ACT


CONSUMER PRODUCT SAFETY ACT 1973
DRUG LISTING ACT OF 1972
FAIR CREDIT 1975
FAIR CREDIT BILLING ACT 1975
PRIVACY ACT 1975
METRIC CONVERSION ACT 1975
EQUAL CREDIT OPPORTUNITY ACT '75
ENERGY CONSERVATION & OIL POLICY '76
CONSUMER GOODS PRICING ACT 1976
MAGNUSON-MOSS WARRANTY ACT 1976

WARNING LABELS TO PROTECT CONSUMERS
(Handout)

WARNING

Not for personal use. Do not get on skin or in eyes. If splashed in eyes or on skin, flood with water for 15 minutes. Call physician. If taken internally, give milk or bread soaked in milk followed by cooking oil. Call physician.

KEEP OUT OF REACH OF CHILDREN

WARNING: Keep this and all medicines out of children's reach. In case of accidental overdose, contact a physician immediately.

WARNING: Keep this and all medicines out of children's reach.

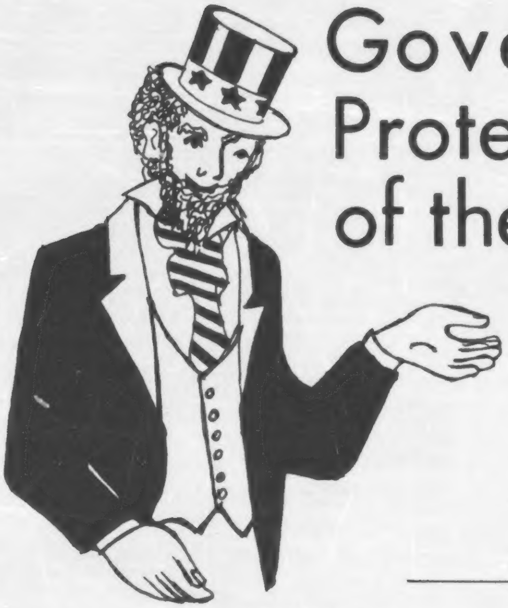
WARNING: The Surgeon General Has Determined That Cigarette Smoking is Dangerous to Your Health.

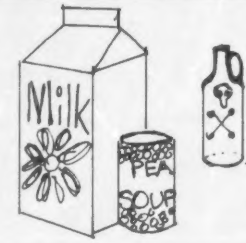
Caution: Severe or persistent sore throat or sore throat accompanied by high fever, nausea, headache or vomiting may be serious. Consult your physician. If sore throat persists more than 3 days consult physician. Do not administer to children under 6 years unless directed by physician.

WARNING: For external use only. If taken internally serious gastric disturbances will result.
WARNING: KEEP OUT OF REACH OF CHILDREN.

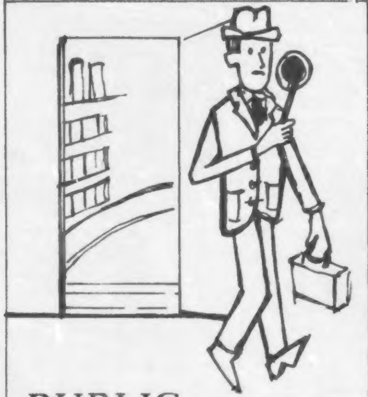
Labels such as these warn consumers of the possible dangers of using a product.

Government Protection of the Consumer

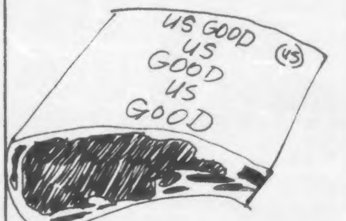



Milk
PEA SOUP

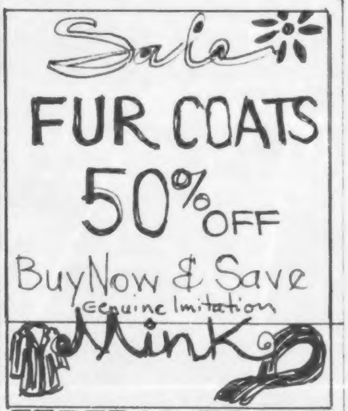
FOOD AND DRUG ADMINISTRATION



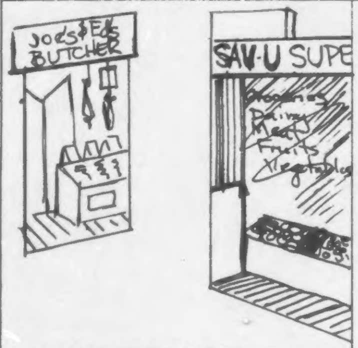
PUBLIC HEALTH SERVICE


US GOOD US GOOD US GOOD
US

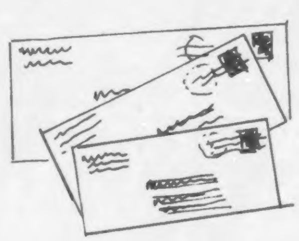
DEPT. OF AGRICULTURE


Sale
FUR COATS
50% OFF
Buy Now & Save
Genuine Imitation
Mink

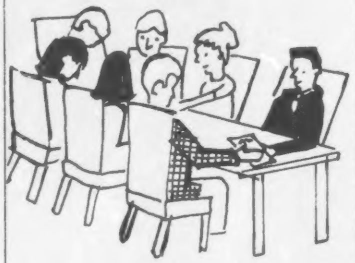
FEDERAL TRADE COMMISSION


Joe's & Ed's BUTCHER
SAV-U SUPE
Dairy
Meat
Fruits
Vegetables

ANTITRUST DIV. of the DEPT-of JUSTICE



POST OFFICE DEPT.



PRESIDENT'S COMMISSION on Consumer Interests

GOVERNMENT AGENCIES
(Handout)

Civil Aeronautics Board, CAB

Consumer Product Safety Commission

Department of Agriculture, USDA (Agricultural Marketing Service, Agricultural Research Service, Forest Service)

Department of Commerce (National Bureau of Standards, Census Bureau, Patent Office, Office of Business Economics, Weather Bureau, Bureau of Public Roads)

Department of Health, Education, and Welfare, HEW (Public Health Services, Social Security Administration, Office of Education, Food and Drug Administration)

Department of the Interior (Bureau of Commercial Fisheries, National Park Service)

Department of Justice

Department of Labor (Bureau of Labor Statistics)

Department of Transportation (Federal Aviation Administration, National Highway Safety Bureau)

Federal Communications Commission, FCC

Federal Deposit Insurance Corporation, FDIC

Federal Reserve Board, FRB

Federal Power Commission, FPC

Federal Trade Commission, FTC

Interstate Commerce Commission, ICC

Office of Consumer Affairs, OCA

Treasury Department (Comptroller of the Currency, Coast Guard)

U.S. Postal Service

SUMMARY CHART: GOVERNMENTAL PROTECTION FOR THE CONSUMER
(Handout)

AGENCY	WHAT HELP IS GIVEN	LOCATION (ADDRESS)
Civil Aeronautics Board, CAB		
Consumer Product Safety Commission		
Department of Agriculture		
Department of Commerce		
Department of Health, Education, and Welfare, HEW		
Department of the Interior		
Department of Justice		
Department of Labor		
Department of Transportation		
Federal Communications Commission, FCC		
Federal Deposit Insurance Corporation, FDIC		
Federal Reserve Board, FRB		
Federal Power Commission, FPC		
Federal Trade Commission, FTC		
Interstate Commerce Commission, ICC		
Office of Consumer Affairs, OCA		
Treasury Department		
U.S. Postal Service		

UNIT X: PROTECTING
X-3: Consumer Rights and Responsibilities

OBJECTIVES:

- Identify consumer rights and responsibilities
- Describe how accepting one's responsibilities as a consumer may reduce fraudulent, deceptive, and quack practices
- Give examples of consumer rights and responsibilities in specific situations
- Discover ways the consumer may show disapproval of a product
- Apply procedures for resolving complaints

VOCABULARY:

VOCABULARY:	Consumer Bill of Rights	right to choose
	right to be informed	right to be heard
	right to safety	right to redress

We have talked about a number of practices consumers must know about to protect themselves. [Use transparency (p. 454).] We have also seen how some of the things such as food standards and labels can protect us. Today, we are going to look at the rights and responsibilities you have as a consumer that could possibly help you protect yourself.

Rights and responsibilities go together. If you have a driver's license, you have the right to drive a motor vehicle, but you also have the responsibility to stay within the law and follow safety rules. The same holds true for consumer rights and responsibilities.

Before we identify consumer rights and responsibilities let's see how much you know about consumer rights and responsibilities. [Pass out copies of "Am I AT The Mercy of Big Business?" (p. 455),read the instructions to participants, and if need be, read each question to participants allowing enough time for them to answer the question. After participants have completed the questions, discuss the answers below.]

Answers:

1) True. Business should give you facts about their goods or services, but it is your job to read or listen to these facts. Product booklets, labels, ads, sales clerks, and friends all provide facts about a product or service. You have a duty to ask for facts. Then you can make the buy that will be best for you.

2) False. A company's success depends on your happiness. A company wants to hear your complaints and ideas for new or better products. The president of a company can get action, and they do care. Companies know that your letter may say what is felt by many families who are too lazy to write.

3) False. You have a duty to help your friends and neighbors. Together you can get more done. You can share what you learn about goods and services in talking with friends. Letters to TV and radio stations and to newspapers like "Action Column" in the Danville Commercial News will help your friends. Letters to companies about needs or complaints may also help

your friends. You and your friends can even get together and write letters or refuse to buy products that don't meet your needs.

4) True. Some consumers don't use products in the right way, and then complain that the product didn't last. They make problems for those who have honest complaints. Do not expect your product to do more than it was made to do. It is your duty to follow use and care instructions.

5) True. Government agencies, business groups, and private consumer groups can help you with complaints. They can also help you make your needs known. Laws also protect your rights.

6) False. Your new ideas or complaints about a product or service should be made in a clear way. Be polite, and you will more likely be helped. Make complaints in this order until you are helped: (1) sales clerk who sold you the item, (2) manager of the business, (3) manufacturer, (4) government agency.

7) False. Damage to store items costs you. In some stores damage by consumers to clothing, foods, and toys costs five to ten cents of every dollar you spend. Litter and items moved out of place increase costs, because someone has to be paid to straighten the store. Damage to shopping carts and motel rooms also costs the consumer. Also, the consumer should return buys only when there is a good reason.

8) False. A dealer who has been in business a long time will usually, but not always, give you a good buy. You still need to gather facts by comparing brands and places where you can buy an item. Then decide where to buy.

Consumer Rights

In 1962, President John Kennedy proposed our Consumer Bill of Rights. The Consumer Bill of Rights protects our basic rights as consumers. In 1969, President Richard Nixon added a fifth right to the Consumer Bill of Rights. [Use transparency (p. 456).] Our basic consumer rights are:

1) the right to be informed--protection from false and misleading information in ads, labels, etc.
2) the right to safety--protection from goods and services dangerous to health or life.
3) the right to choose--assured of a number of goods and services at competitive prices.
4) the right to be heard--assured that consumer interests will be heard in legislature and judicial proceedings.
5) the right to redress--assures consumers that they will be able to seek correction of wrongs against them.

Consumer Responsibilities

Having these consumer rights means there are consumer responsibilities to go with the rights. Let's consider what we as consumers are responsible for to protect ourselves. Each of us has the responsibility to do the following things to protect ourselves from dishonest merchants. [Using a visual, discuss the reasons for each responsibility.]

Use and evaluate available information
Recall experiences of friends and relatives
Read magazine and newspaper articles
Study manufacturer's information
Read advertisements carefully
Shop for the best buy for your money
Do not shop for price alone
Buy from reliable businesses
Use your economic votes wisely (This means that every time you buy a product you are in effect voting for or giving your approval of that product.)
Make your needs and wants known to retailers, manufacturers, and producers
Take contracts seriously
Make good use of what you have
Take advantage of protective services and agencies (For example, use grade labels, food grades, etc. Call your Better Business Bureau or Chamber of Commerce when you can use their services.)

You might ask yourself the following questions to see how you measure up:

Do you get the most value for your money?
When you buy goods, do you take advantage of all the information that is available to you? Think about the last major purchase you made. What information did you collect before you bought it?
Do your purchases usually give you long-lasting satisfaction?

If you can answer "yes" to these three questions, you are well on your way toward being a responsible consumer. Let participants discuss these points in relation to recent purchases they have made.

Consumer rights and responsibilities growing together

Now that we have identified our consumer rights and responsibilities, let's see how they go hand in hand. [Use visuals (pp. 457-461) have participants discuss the questions under each consumer right. Explain how each consumer right has certain responsibilities that go with it.]

Right to be informed

If we as consumers have the right to be informed by education, business, and government, then we have certain responsibilities.

What are some sources of information on goods and services? Where can you find information about recent developments and new products? How does the use of this information affect your right to be informed?

What could be the result if many consumers asked for similar information not given about a particular product?

If consumers have the right to expect use and care instructions and performance claims, what responsibility goes with this right? How could we lose this right?

If advertisements inform, what is our responsibility in accepting or rejecting the information provided?

Our main responsibility here is to use the information which is available. Look for information about items we want to buy so we can compare and judge them.

Right to safety

If we as consumers have the right to be protected from the sale of goods and services that endanger our lives or safety, then we have certain responsibilities.

How will we know if a product is safe? How do we influence the right to safety when we buy goods without first examining them for safety features?

What kind of information are we responsible for getting before we buy goods or services?

What should you do if the performance of goods or the results of services are not safe? How would our right to safety be influenced if no one reported faults?

How does the study of safety ratings help meet our responsibilities to our right to safety? What are some reliable sources of safety ratings? What makes them reliable sources? What might happen to these sources, and to our right to safety, if we do not take advantage of the information offered to us?

Our responsibility here is to use the goods safely. Use goods as they are meant to be used and follow instructions for their care and up-keep.

Right to choose

If we as consumers have the right to choose goods and services at fair and competitive prices, then we have certain responsibilities.

What are some pressures that we should take responsibility for resisting?

How does buying from habit hurt our ability to be selective? How does the responsibility to do comparative shopping affect the right to choose?

How can you determine whether or not products or services are produced efficiently? What relationship is there between efficient production and fair and competitive prices?

What are some products that represent a needless waste of limited natural resources? of human resources?

In what ways are consumers dishonest in their dealing with merchants and repairpeople? How does this affect the right to choose?

What motivates, or makes you want to buy goods and services that you do buy? How do your motivations affect other people's right to choose?

What resources are available to you as a consumer? How does the use of these resources affect our right to choose?

Our responsibility here is to choose wisely. You should use your purchasing power wisely to help build ethical business practices. This will help the businesses produce safe and realiable products.

Right to be heard

If we as consumers have the right to be heard, then we have the responsibility to keep lines of communications open between ourselves, business, and government.

What should we do if we discover irresponsible industries, merchants, or repairpeople? How does the writing of protest letters help meet our responsibility to our right to be heard?

Why is it our responsibility to know where to go for help? What do many consumers tend to do because they do not know where to go for help? How do their actions affect our right to be heard?

One of our responsibilities is to suggest product improvements. Let's select a product or service and think of some suggestions for improvements of that product or service. (Send suggestions to company if they seem to be applicable or original.)

How much information do you give merchants when you are shopping for a product or service? How does this information you give before purchasing goods or services help you get what you want?

Why is it important to write your congressional representatives about consumer problems? What difference does this make?

Does the informed consumer have more right to be heard than one who is not informed? Why or why not?

Our responsibility here is to speak up. You should say if you are happy or have complaints about a product. Going through the correct steps helps give necessary information to producers about their products.

Right to redress

If we as consumers have the right to be able to seek ways in which the law, business, or government can help correct consumer complaints, then we have certain responsibilities.

What would you do if you purchased a new automobile three months ago, and the radio no longer works? The car dealer says that they do not have anyone who repairs radios and thus cannot repair it. What steps should you follow?

How could you handle this situation? The magazines which you purchased three months ago from a door-to-door salesperson have not arrived, and you are unable to contact the person.

How would you act if because of a newspaper ad, you go to the drugstore to purchase a bottle of shampoo for 99¢. The regular price is $1.27. At home you notice that your register receipt shows that you were charged $1.27 for the shampoo. How should you react? What can you do if the drugstore will not change the price?

Our responsiblities here are to seek redress. If problems have to be changed, you should follow through with them until you are satisfied with how your problem is handled.

[Use transparency (p. 462) to help summarize points of rights and responsibilities.]

How to make your complaints, needs, and wants known[1]

Despite the good work that most businesses do, there will still be some dishonest businesses. People will still have complaints. So one thing you will probably be interested in knowing is what to do when you have a complaint or feel you have been cheated.

Here's a list of things you can do to make your complaints, needs, and wants known.

1) Stop buying a product or shopping at a store that you are not happy with. Urge your friends to do the same.
2) Make your complaints known to: (a) retailer, (b) action panels sponsored by industry, (c) T.V., radio, and newspapers carrying the product, (d) state consumer protection agencies, (e) federal agencies, (f) manufacturer warranties, (g) small claims court, and (h) class action suits. [Use transparency (p. 463).]
3) Let store owners or manufacturers know what new products or services you would like to have.

Wise use of your purchasing power can help consumers have safe, reliable goods and services at reasonable prices. But wise use of purchasing power means being an informed consumer. Know what you want, and the quality of products you want. Above all let your feelings about products be known. Good as well as bad.

APPLICATION: Have participants write a letter of complaint about a product that does not satisfy them. [Use visual (p. 464) for form and guidelines. Discuss the letters. What points should be covered in each letter? To whom should each letter be mailed? Should the letter be written formally, or could it be jotted down on a bill or statement? Why?

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[1] Reprinted by permission from Illinois Teacher of Home Economics. Urbana, Illinois: Division of Home Economics Education, University of Illinois, Vol. XVII, No. 5, May/June, 1974, pp. 269-270.

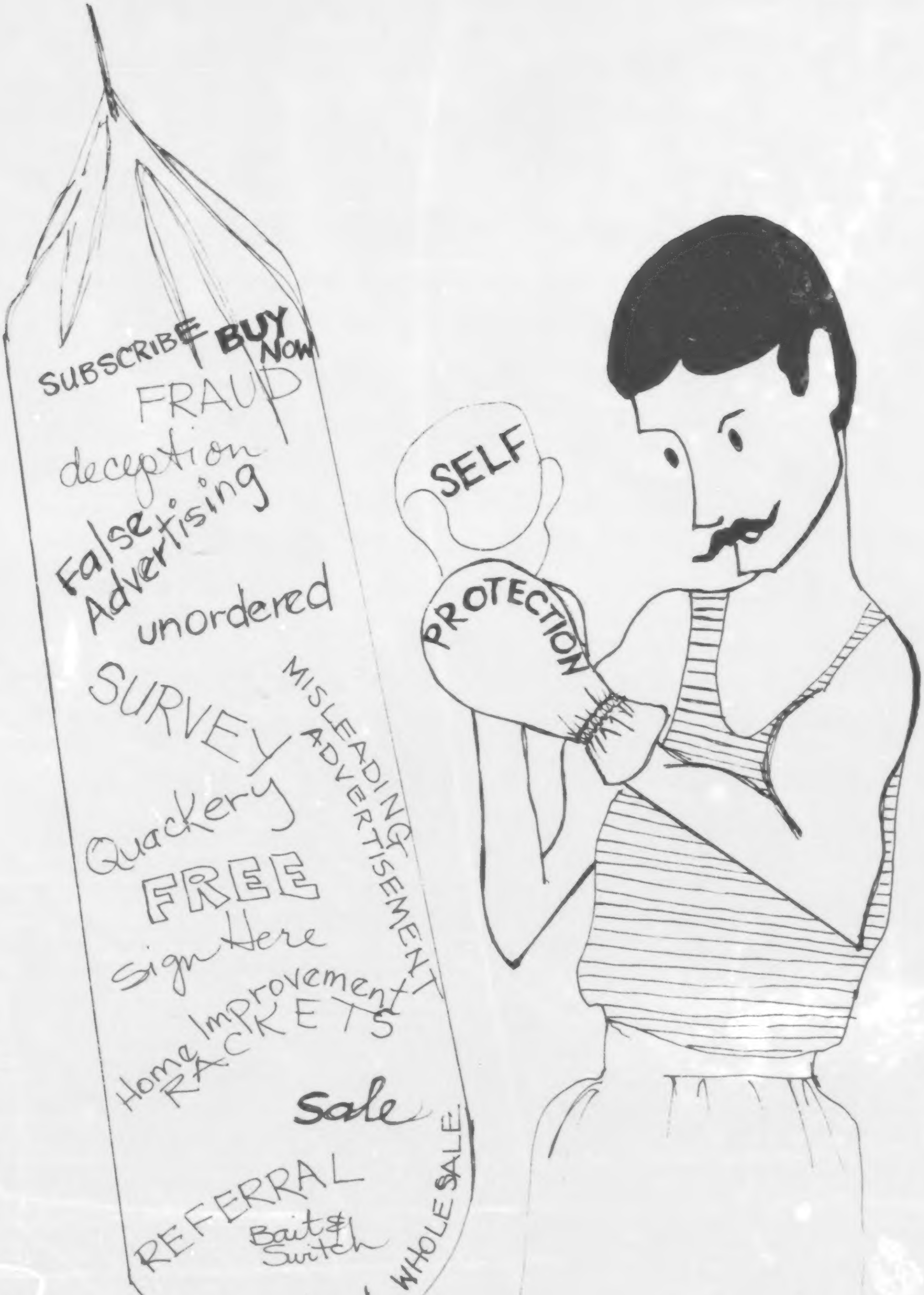
KEY IDEAS: Consumers have both rights and responsibilities.

A wise consumer knows their rights and responsibilities.

The consumer has certain rights and responsibilities regarding merchandise that does not meet his or her expectations.

Consumers protect their own interests by finding out a store's policy on returns and exchanges before buying.

Both consumers and retailers benefit when they handle returns and exchanges properly.


SUBSCRIBE
BUY NOW
FRAUD
deception
False Advertising
unordered
SURVEY
MISLEADING ADVERTISEMENT
Quackery
FREE
Sign Here
Home Improvement RACKETS
Sale
REFERRAL
Bait & Switch
WHOLESALE
Contest
SELF
PROTECTION

AM I AT THE MERCY OF BIG BUSINESS?[1]

Directions: Are you helpless in resisting the pressures of business to get you to buy? Is there anything that you can to to control what is sold and how? See how much you know about consumer rights and responsibilities by deciding whether the following statements are true or false. Circle "T" if you find the statement is true. Circle "F" if you feel the statement is false. This is just a self-check. IT IS NOT A TEST.

T F 1. It is my duty to gather all of the facts about an item before I buy.

T F 2. A letter from me to the president of the company will have little influence on a company's or store's product or advertising.

T F 3. There is little that I can do to help my friends and neighbors be better consumers.

T F 4. I should use goods and services as they were made to be used.

T F 5. Laws and private and public agencies are helping to protect my rights as a consumer.

T F 6. A forceful demand is the best way to make complaints about goods or services.

T F 7. I have a right to take advantage of business, since they take advantage of my weaknesses.

T F 8. If I buy from a long-time dealer, I will be more likely to buy something that I will be happy with.

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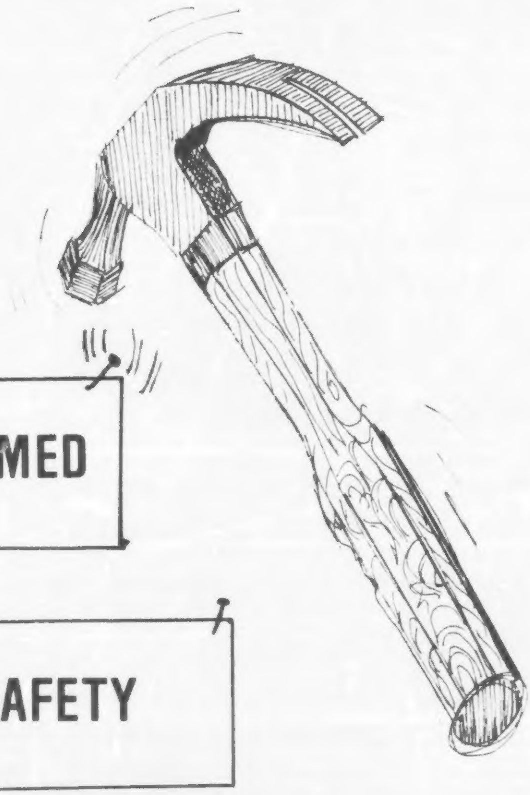
[1] Reprinted by permission from Illinois Teacher of Home Economics. Urbana, Illinois: Division of Home Economics Education, University of Illinois, Vol. XVII, No. 5, May/June, 1974, pp. 269-270.

BASIC CONSUMER RIGHTS



THE RIGHT TO BE INFORMED

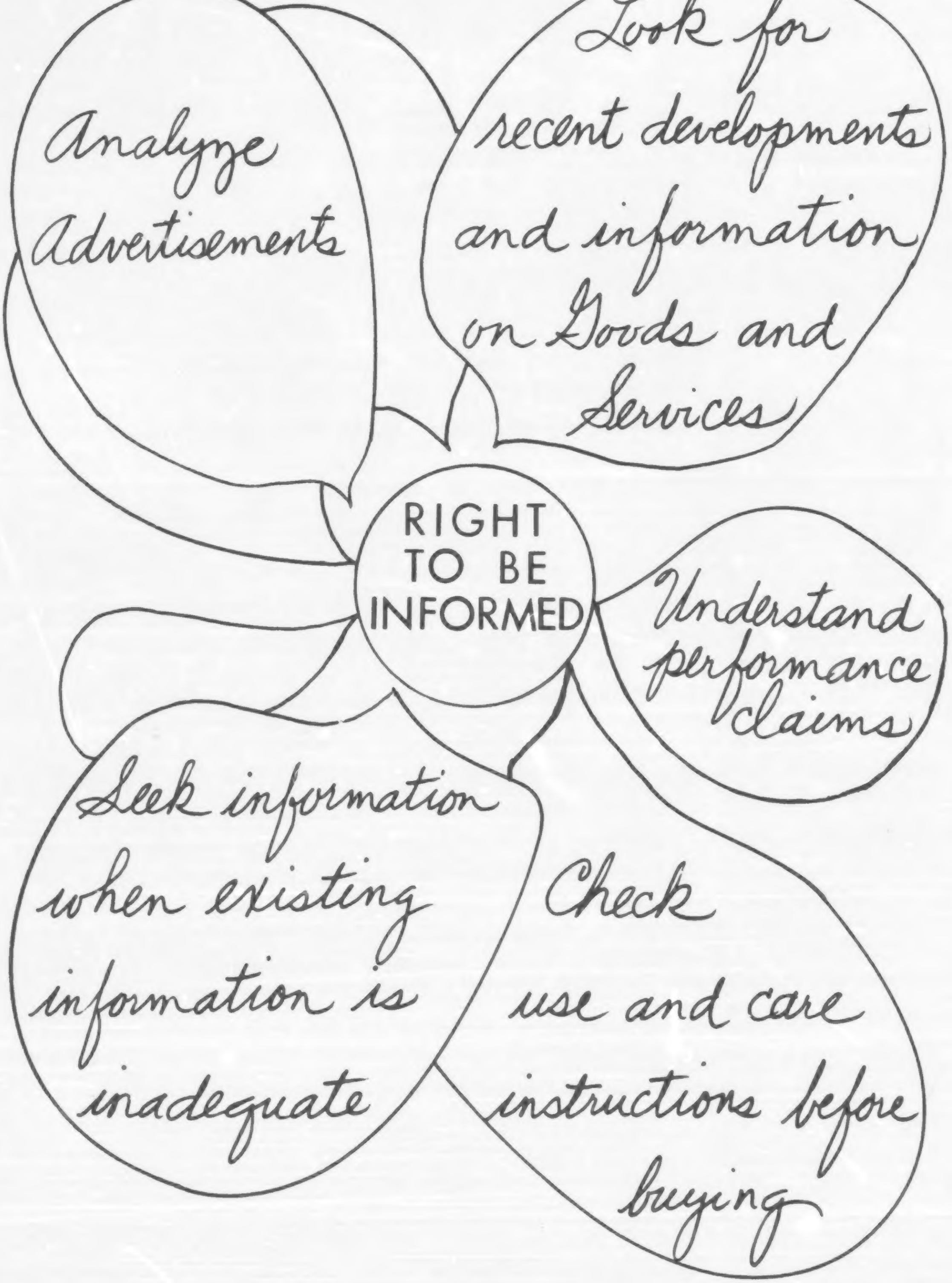
THE RIGHT TO SAFETY

THE RIGHT TO CHOOSE

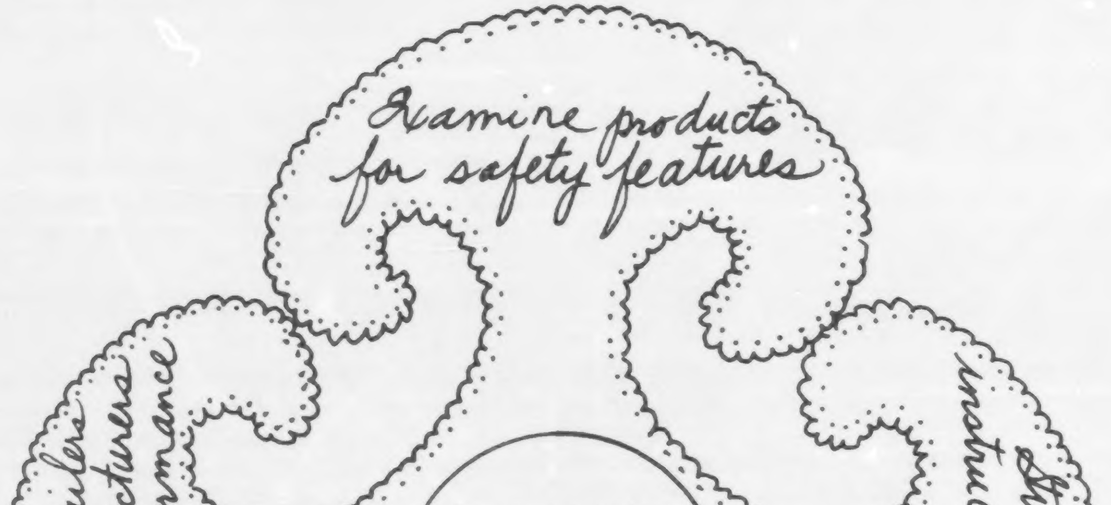
THE RIGHT TO BE HEARD

THE RIGHT TO REDRESS

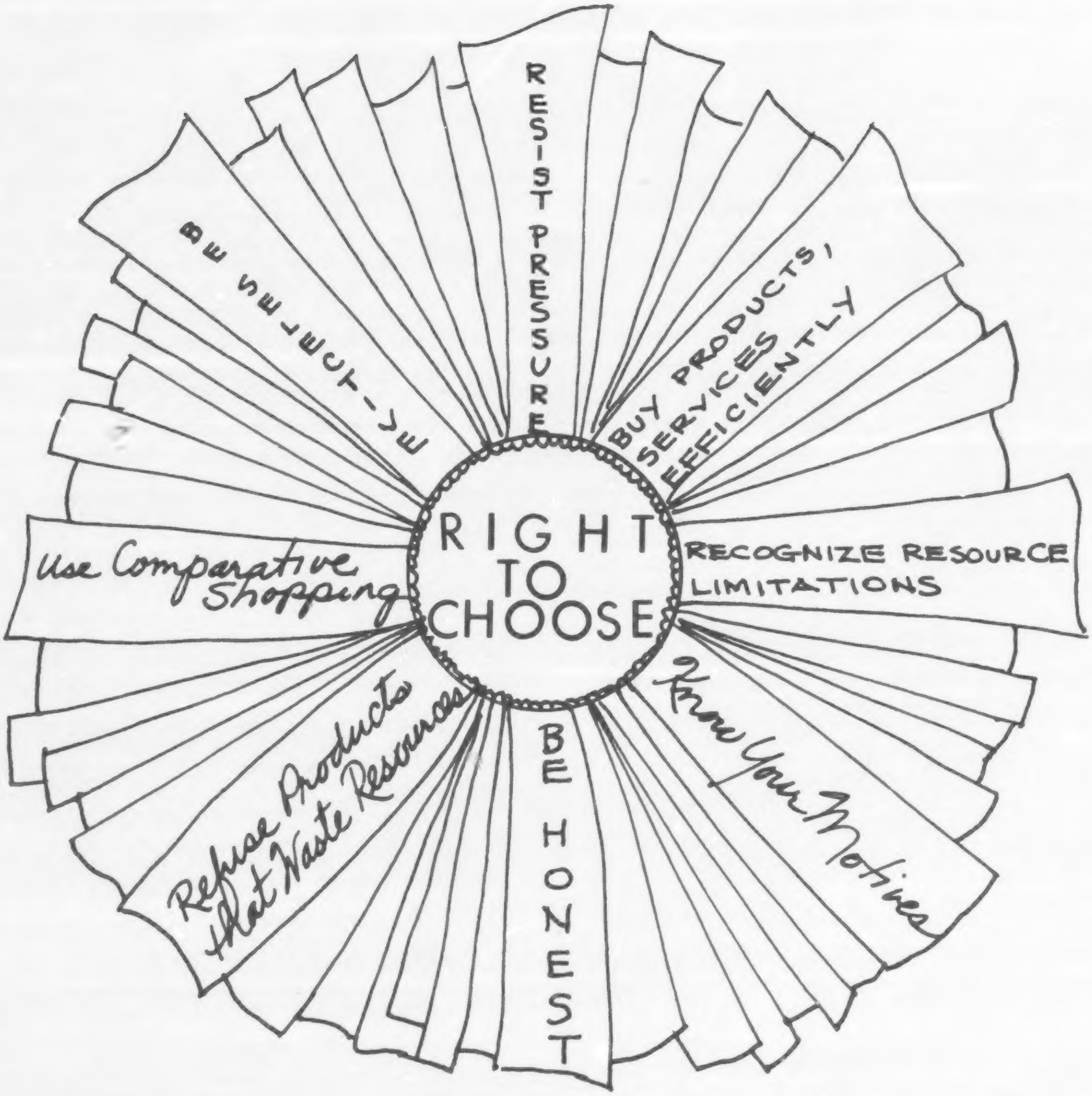
TO BE INFORMED


RIGHT TO BE INFORMED
Analyze Advertisements
Look for recent developments and information on Goods and Services
Understand performance claims
Check use and care instructions before buying
Seek information when existing information is inadequate

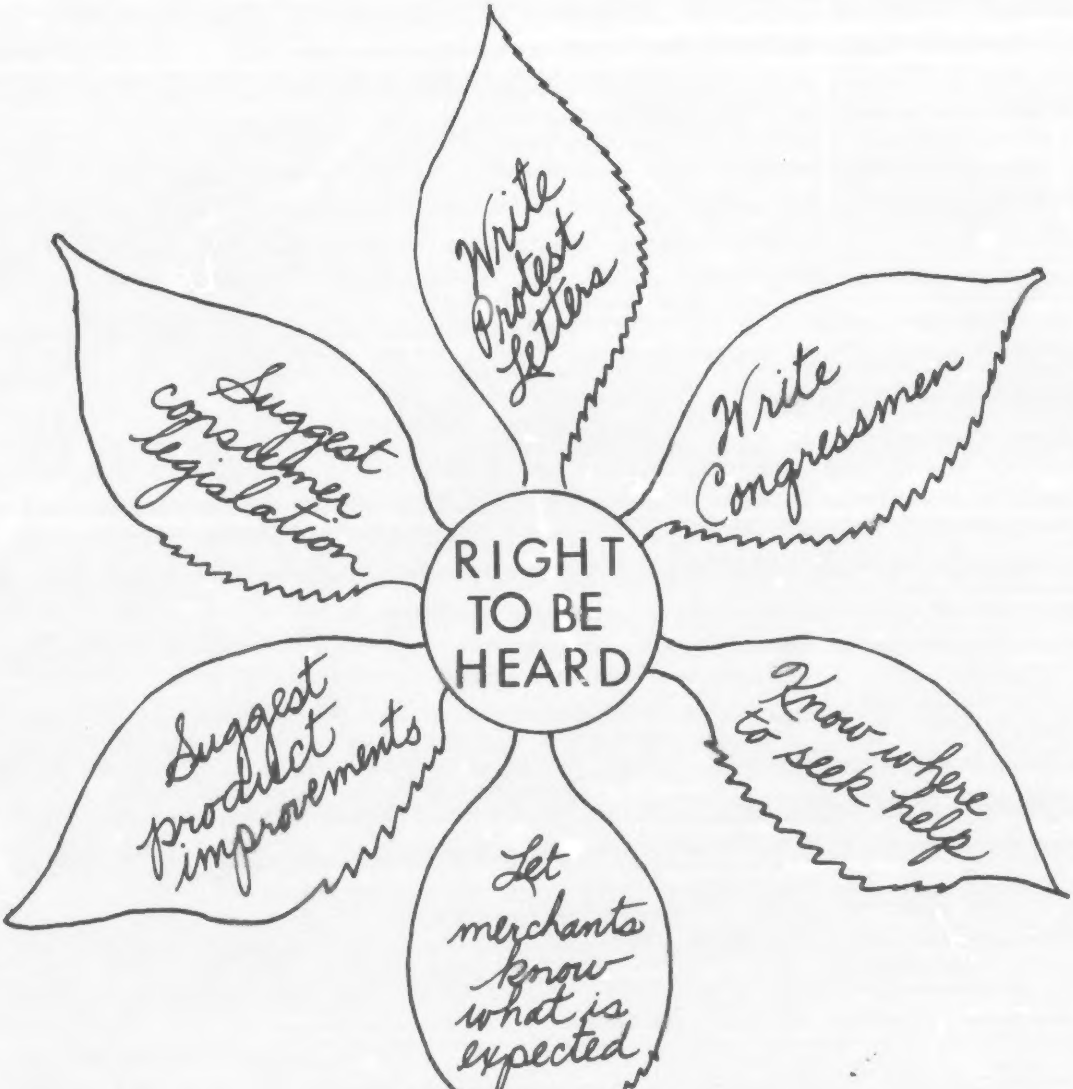
TO SAFETY


Examine products for safety features
Study care instructions before buying and using
Study product safety ratings
Inform retailers and/or manufacturers of poor performance
RIGHT TO SAFETY

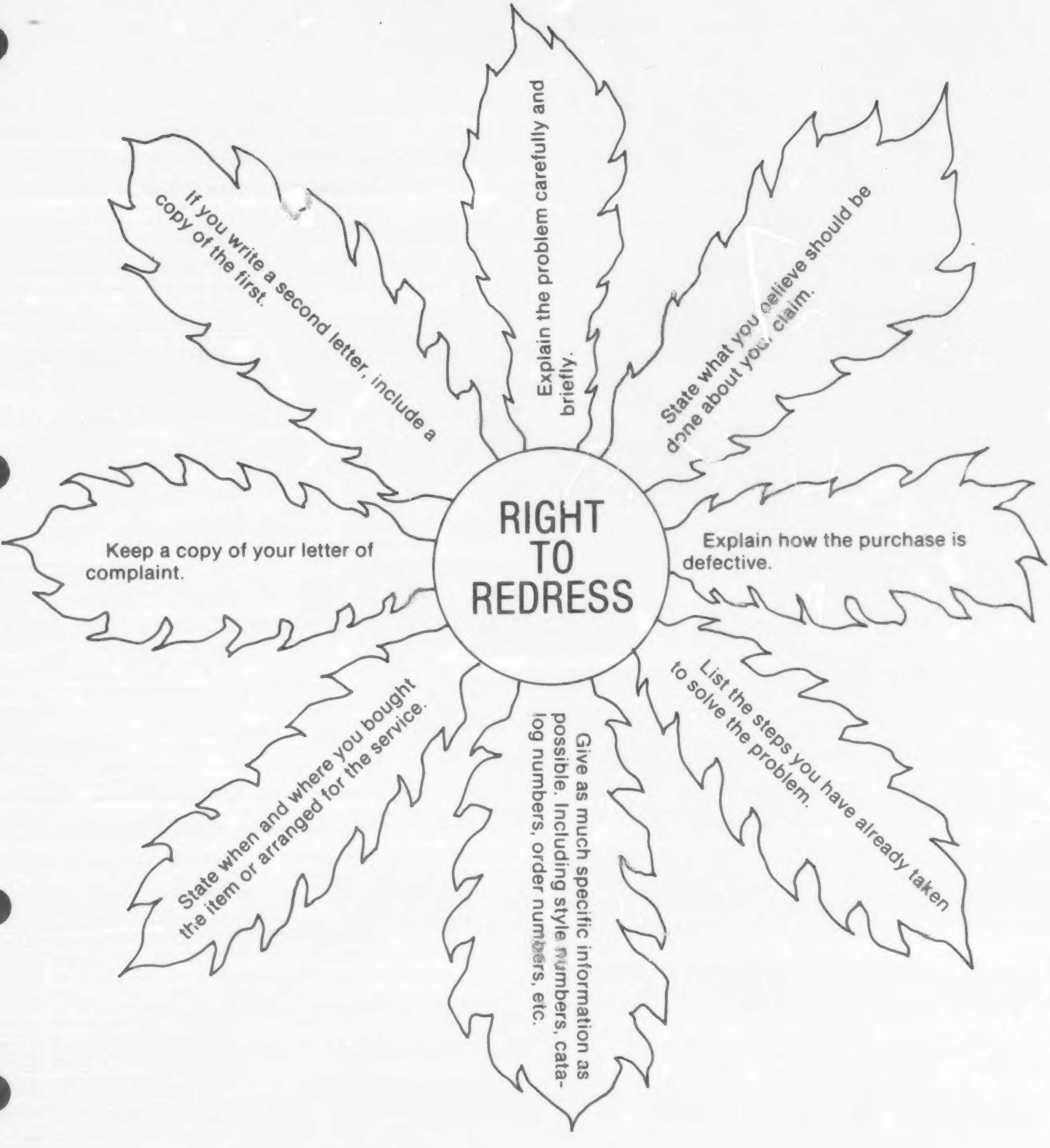
TO CHOOSE


RIGHT TO CHOOSE
RESIST PRESSURE
BUY PRODUCTS, SERVICES EFFICIENTLY
RECOGNIZE RESOURCE LIMITATIONS
Know Your Motives
BE HONEST
Refuse Products that Waste Resources
Use Comparative Shopping
BE SELECTIVE

TO BE HEARD


Write Protest Letters
Suggest consumer legislation
Write Congressmen
RIGHT TO BE HEARD
Suggest product improvements
Know where to seek help
Let merchants know what is expected

TO REDRESS



Explain the problem carefully and briefly.

State what you believe should be done about your claim.

Explain how the purchase is defective.

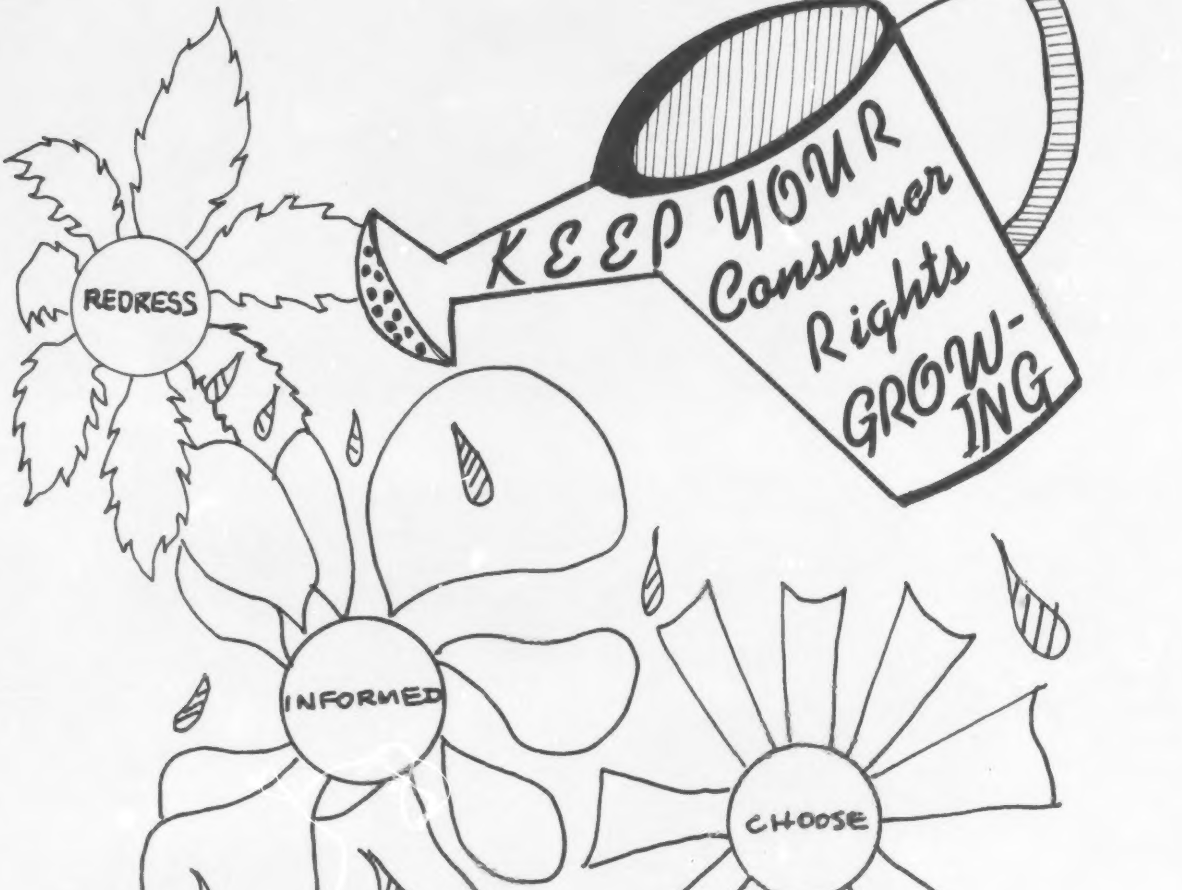
List the steps you have already taken to solve the problem.

Give as much specific information as possible. Including style numbers, catalog numbers, order numbers, etc.

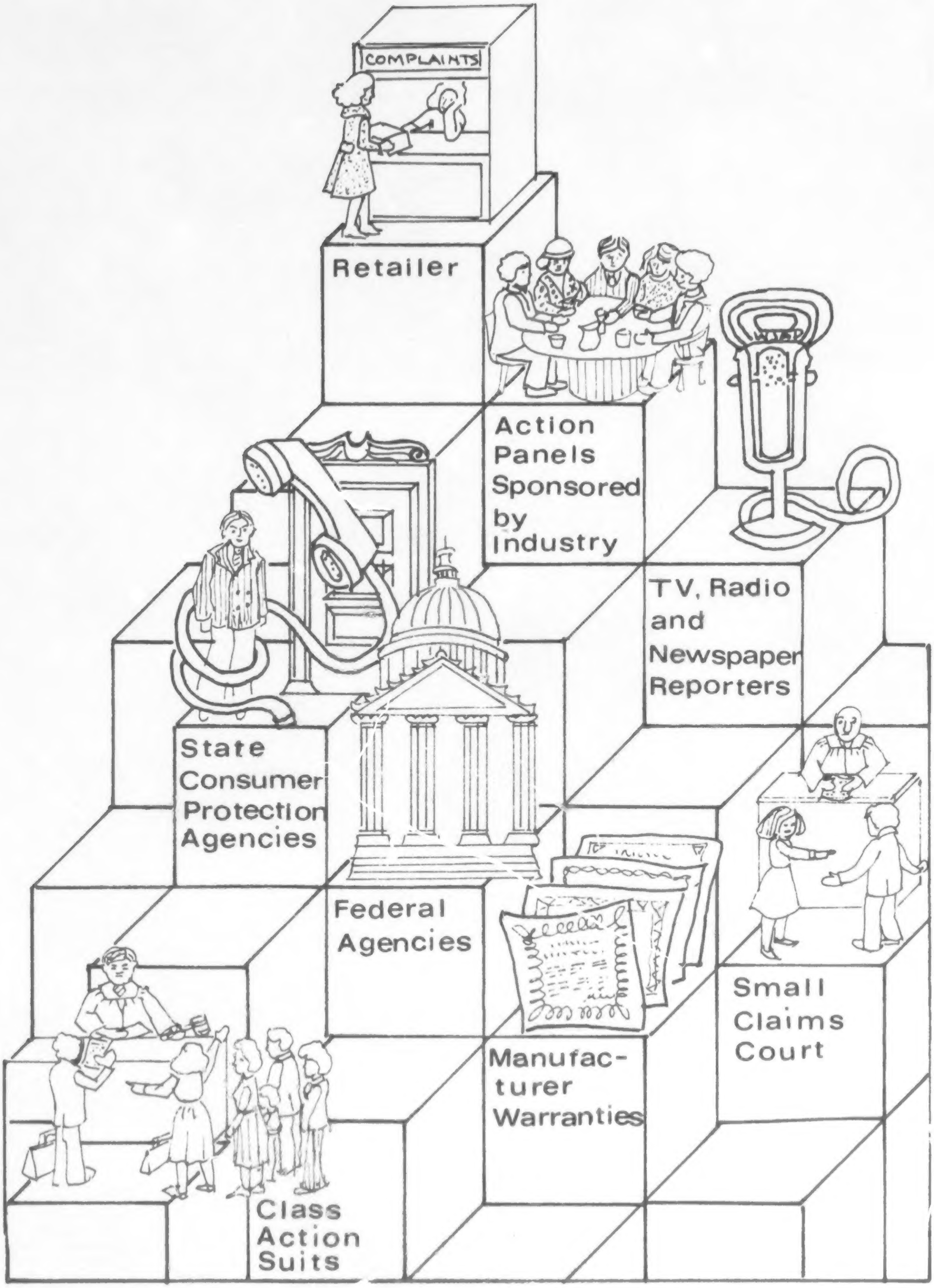
State when and where you bought the item or arranged for the service.

Keep a copy of your letter of complaint.

If you write a second letter, include a copy of the first.


KEEP YOUR
Consumer
Rights
GROW-
ING
REDRESS
INFORMED
CHOOSE
SAFETY
HEARD

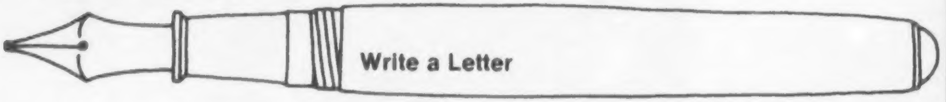
HOW ARE YOU GOING TO DO IT?


COMPLAINTS
Retailer
Action Panels Sponsored by Industry
TV, Radio and Newspaper Reporters
State Consumer Protection Agencies
Federal Agencies
Small Claims Court
Manufacturer Warranties
Class Action Suits

[1] J.C. Penney Company, Inc., "Insights Into Consumerism," 1976.

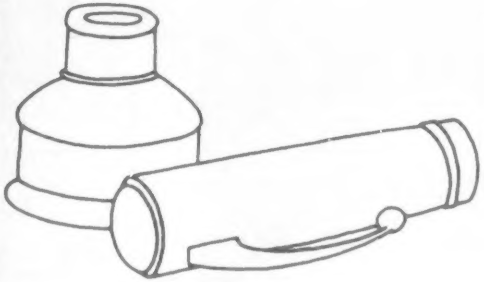
Express Yourself

Writing a Redress Letter



Follow this Format

1. Explain the problem carefully and briefly.
2. State when and where you bought the item or arranged for the service.
3. Explain how the purchase is defective.
4. List the steps you have already taken to solve the problem.
5. Give as much specific information as possible, including style numbers, catalog numbers, order numbers, etc.
6. State what you believe should be done about your claim.
7. Keep a copy of your letter of complaint.
8. If you write a second letter, include a copy of the first.



[1] J.C. Penney Company, Inc., "Insights Into Consumerism," 1976.

UNIT XI: SHARING
XI-1: Gifts

OBJECTIVES:

- Identify the benefits of charities which are available
- List services provided by churches in the area which may be of benefit to the family
- Explain how carefully chosen gifts may improve family relationships and raise the standard of living
- Give examples of gifts suitable for various family members
- Apply skills in making inexpensive personal gifts

VOCABULARY:		
	gifts	personal
	charity	tax-exempt
	church	non-profit

The giving of gifts and donations are ways in which families can share with others. There are three main types of gifts: charity, church, and personal. [Use visual (p. 468).]

Gifts to charities

Families can give to many charities. What are some charities to which families give? Gifts may be in the form of money or giving time to collect gifts from others. Charities use money for research to find new and better ways of curing people of diseases, help families during family emergencies or disasters, provide recreational services for needy families, provide educational services, support worthwhile organizations such as Scouts, Campfire Girls, YWCA, YMCA, and in numerous other ways.

There are many good and worthwhile charities families give gifts to, but there are some charities that you should check into before you give your money or time.

Before you give money or time to a charity there are some points you should remember. These points are:

1) If you have never heard of the charity before call the Better Business Bureau or Chamber of Commerce to make sure there is such a charity.
2) Never give cash. Give a check or money order with the name of the charity written in.
3) Be sure the charity is tax-exempt. If the charity is tax-exempt, your gift of money is tax deductible.
4) You have the right to know how your money will be used in the charity. It is also wise to see what the charity is doing in your community.

Gifts to churches

Churches also provide services for families. [Use visual (p. 469).] With the gifts of time and money churches provide a place to worship, a place to be with friends, help in time of emergency, help with family problems, care for children, help for the aged, recreation, and educational and training services. Can you think of any services or programs some of the local churches provide here? Giving gifts to churches helps them provide for many people.

Giving personal gifts

Family members share with one another, with friends, and with relatives by giving gifts. What are some of the occasions at which families share? (Birthdays, anniversaries, Christmas, Mother's Day, Father's Day, graduation.)

A gift is [illegible]ession of love. Therefore, it is not how much the gift costs that count[illegible]e thought. When choosing a gift, choose something that the person recei[illegible] would enjoy having, not something you would enjoy owning.

How do you feel when someone gives you a gift of which you are particularly proud? Do you think persons to whom you give gifts sometimes feel this way, too? When a member of your family is particularly pleased with a gift, does the rest of the family share the pleasure?

Some families choose gifts that will help make their money go farther. They choose something that the person receiving the gift needs rather than something which is not needed and which may not be used. If friends and relatives are also careful in choosing gifts for family members, the family can have more of the things they need.

An expensive gift is seldom, if ever, necessary. It may cause embarrassment and may be in poor taste. Your family and friends may enjoy most of all something you have made yourself. If a more expensive gift seems appropriate, several people might pool their money to make the purchase. [Ask participants to think of gifts which would be appropriate for different family members and persons of various ages.]

Making gifts

You can use your time, skills, and resources other than money to make gifts for family and friends. Can you think of some inexpensive gifts you have made or might make for a friend, relative, or a member of your own family? There are many places in the community you can get free or discarded materials for any of the following uses:

1) Making furniture from large wire spools, crates, boxes, or discarded furniture.
2) Making kitchen equipment from large jars or cans with lids.
3) Making inexpensive accessories for one's home.
4) Making garments from scraps and mill ends from garment factories or clothing stores.
5) Making toys for children such as:
    a) blocks from lumber scraps, milk cartoons
    b) painting on newspapers

c) play houses from cardboard boxes
d) stacking toys from tin cans
e) sandboxes filled with leftover sand
f) scrap books and story books from discarded magazines.

If you make a gift you will probably make someone very happy, save yourself some money, and get a lot of joy from giving something you created.

APPLICATION: Have participants make some inexpensive gifts or learn how to wrap gifts attractively and inexpensively.

KEY IDEAS: Knowledge of charities which receive donations for support can aid one in obtaining available benefits.

Knowledge of services provided by churches may aid families in taking advantage of available services.

Personal gifts, carefully chosen, may help to improve family relationships and raise the standard of living.

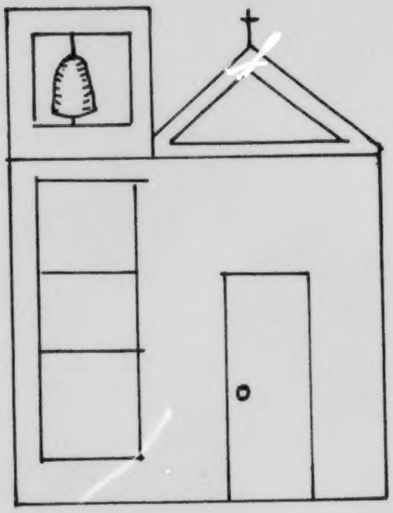
Making gifts may save money and bring much personal satisfaction.

Ways We Share

Charity

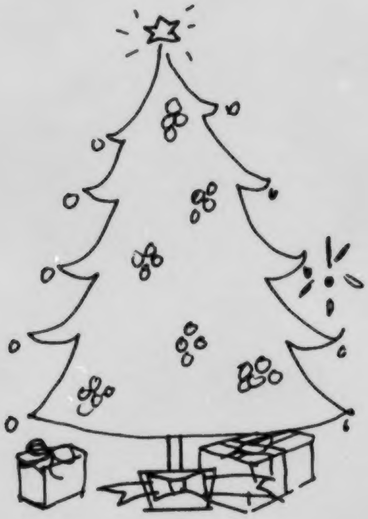
United Way

Church



Personal

HAPPY BIRTHDAY



WE SHARE MONEY AND TIME THROUGH CHURCHES

EDUCATIONAL AND TRAINING SERVICES

RECREATION

HELP FOR THE AGED

CARE FOR CHILDREN

HELP WITH FAMILY PROBLEMS

HELP IN TIME OF EMERGENCY

PLACE TO BE WITH FRIENDS

PLACE TO WORSHIP TOGETHER

UNIT XI: SHARING
XI-2: Taxes

OBJECTIVES:

List kinds of taxes which are paid and benefits derived by own family
Relate taxes paid to benefits received
Explain reasons tax funds are used to provide goods and services
Present tax records which should be kept by the family
Apply knowledge of tax records to filling out an income tax return

VOCABULARY:
taxes
sharing
income tax
property tax
sales tax

What do you think of when taxes are mentioned? Many people think first of the Federal Income Tax, which is withheld from their pay checks. Taxes are necessary because they are needed to pay for the operations of the three levels of our government--federal, state, and local. [Use visual (p. 474).]

Why you pay taxes

Taxes are what we pay to have governmental services. If you want more and better services you must pay higher taxes. Taxes on alcohol and tobacco help to control their use. Taxes on personal income and estates help raise money and also redistribute income. You might say taxes have three purposes: revenue or raising money, regulation or control, and redistribution or helping others in need.

Not many people like to pay taxes. The reason is that we may not realize that the money we pay in taxes is used to provide the services and protection our families use every day. If we want to keep these services, we must share in paying for them.

Services provided from tax money

The federal government gets most of its money from income taxes. The federal government uses that money to pay for highways, national parks, numerous educational services, public health and welfare services, agricultural and medical research, and for the national defense program.

States use the money they get from taxes on highways, recreation areas, schools, hospitals for the mentally ill, special schools for the handicapped, and public assistance and welfare services.

Local governments get much of their money from property taxes. These taxes provide police and fire protection, schools, community colleges, streets, sidewalks, libraries, water systems, sewer systems, parks, and swimming pools.

The taxes we pay, then, provide services and protection for our families that we could not possibly provide for them ourselves. For example, could you afford to hire a firefighter or a police officer to protect your home?

Most of these services are needed by our families. Some of them can help our families save money, too. For example, a day at the park costs very little compared to an hour at a movie. Public school costs almost nothing compared to the cost of attending a private school. So we might say that the money paid in taxes by families is returned to them in the form of services.

Who decides how much you pay

The amount of money a person pays in taxes is decided by two principles. The first is the benefit principle which means if you use or receive benefits from public services you should help pay for these services. The second is the ability to pay principle which means those who earn higher incomes pay higher taxes than people with low incomes.

Direct and indirect taxes

Taxes are grouped in two categories: those that are paid directly to the government, and those paid indirectly to the government.

Direct taxes are taxes you pay straight to the government. Examples of direct taxes are: personal income tax, property tax, and motor vehicle license tax. By having direct taxes you know exactly how much you are paying for government benefits and services.

Indirect taxes are also known as hidden taxes. You do not know how much tax you are paying because the tax is included in the price of the goods and services. Examples of indirect taxes are: import duties and excise tax. These hidden taxes make it harder for you to know what you are paying for public services.

Types of taxes

There are three kinds of taxes that most families pay. [Use a visual to illustrate.]

Sales Tax

Usually sales tax is the main source of raising money for many governments. In many states and localities, the sales tax is charged on every item sold. In some areas certain food and drug items are taxed. This is a tax we are well aware of paying. Usually a certain amount is charged for each dollar or part of a dollar spent. How much sales tax do we pay?

Property Tax

Property taxes are frequently charged for owning real estate. However, they are also levied on personal items such as stocks and bonds, automobiles, clothing, furniture, and jewelry in some places. A scale is used to determine the amount of property tax to be paid. For example, if the tax rate is $2.38 per $100 of property, a person who owns property assessed $5,000 would pay property taxes of $141.50. What is the tax rate for property in your town?

Personal Income Tax

Personal income tax is based on the ability-to-pay principle. Every person who is a citizen or resident of the United States who earns $750 or more income during the year must file a federal income tax return. This affects nearly everyone who earns any money, so it is important that we learn all we can about income tax procedures. Each family needs to know:

how to keep records for income tax purposes
how to itemize allowable expenses, including medical costs and contributions
which sources of income are not subject to taxes

APPLICATION: Ask a local tax office to give information on income tax procedures and supervise participants filling out income tax forms. Have participants suggest simple ways to keep tax forms.

KEY IDEAS: An understanding of the tax structure and benefits derived from government programs may contribute to a willingness to pay taxes.

Goods and services which would be very difficult to obtain from individual resources can be provided economically through the use of tax funds.

Responsibility for proving that tax information is accurately and completely reported rests with the person filing the return and paying the tax.

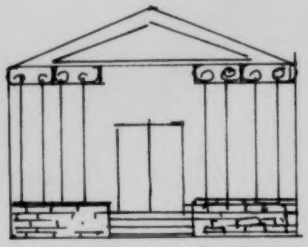
HOW OUR TAXES ARE USED

FEDERAL

- Highways
- National parks
- Educational services
- Public health and welfare services
- Agricultural and medical research
- National defense program

STATE

- Highways
- Recreation areas
- Schools
- Hospitals
- Special schools
- Public assistance
- Welfare service



LOCAL

- Police and fire protection
- Schools
- Community colleges
- Streets
- Sidewalks
- Libraries
- Water systems
- Sewer systems
- Parks
- Swimming pools

SECTION THREE

SPANISH SUPPLEMENT

¿QUÉ ES IMORTANTE?

(Papel para Repartir)

(32)

Los valores personales representan lo que creemos ser importante, bueno y bello.

Direcciones: Hágase una lista de cosas de absoluta necesidad para su vida. A la derecha, escriba el valor personal que representa.

COSA	VALOR
1.	1.
2.	2.
3.	3.
4.	4.
5.	5.
6.	6.
7.	7.
8.	8.
9.	9.
10.	10.

VALORES
(Estudios de Casos)

Unas Familias y sus Valores

El barrio Garden Grove está ubicado en la sección norte de una ciudad de tamaño mediano en Texas. Tres familias, los Washington, los Lopez y los Miller viven ahí, y todos ganan aproximadamente lo mismo. Sus casas y sus gastos para la comida son similares. Sin embargo, sus otros gastos varían considerablemente.

Los Washington tienen un televisor de color, dan muchos paseos en coche durante los fines de semana y asisten a muchos partidos de fútbol y de básquetbol. Las dentadura de Jimmy Washington está en malas condiciones, pero raramente hay bastante dinero para pagar al dentista. La familia no puede comprar muebles para la casa y no tiene ahorros.

Los Lopez poseen una pequeña cuenta de ahorros y tratan de poner más dinero allí cada mes para que su hijo pueda ir a la escuela para estudiar electrónica en una escuela técnica cuando termine la escuela secundaria. Ahora están comprando una serie de enciclopedias, pagando a plazos, para los demás hijos. Tienen un televisor blanco y negro y pasan muchas noches mirando la t.v. A los Lopez, les gustaría una alfombra nueva, pero en este momento no pueden comprar una.

A los Miller, les gusta arreglar cosas. Pasan mucho tiempo arreglando muebles baratos y acaban de pintar su apartamento. Su compra más reciente es una silla nueva para la sala. Susie Miller desea una raqueta de tenis, y la familia está discutiendo como pueden hallar el dinero necesario. Después de hacer la contribución a la iglesia esta semana, habrá poco dinero hasta que reciban el próximo cheque de pago.

Lotería del Supermercado de $500

Amy y Frank han recibido un cheque de $500 por haber ganado la lotería del supermercado. Amy discute el dinero con sus tres amigas—Terri, Brenda y Melinda. Amy admite que ella y Frank no pueden decidir como gastar el dinero. Ella les pide consejo.

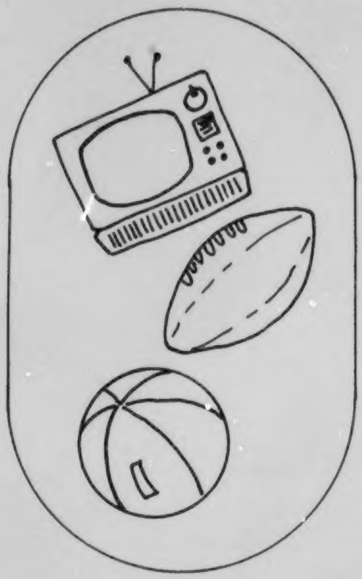
Terri cree que Amy debe comprar muebles con el dinero. Terri sabe que el matrimonio tendrá que invitar a mucha gente a cenar porque Frank acaba de conseguir un trabajo nuevo. Terri cree también que el nuevo patrón de Frank no se va a impresionar bien con los muebles viejos del matrimonio.

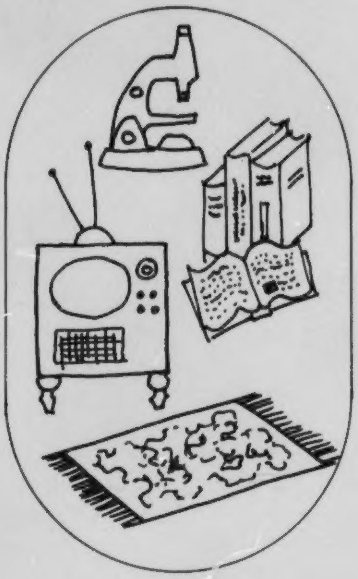
Brenda opina que Amy debe gastar el dinero en ropa de maternidad que necesita. Brenda cree que debe comprar la ropa porque con el dinero, podrá comprar la variedad de ropa que le gustará. Brenda dice que Amy debe dar los $250 que quedan del dinero a Frank para comprar algo que no podría de otra manera.

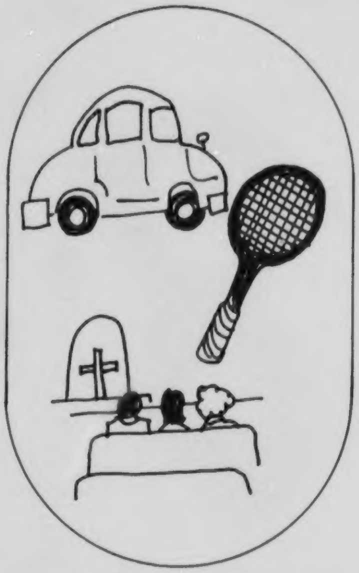
Melinda opina que Amy y Frank deben ahorrar el dinero. Melinda sabe que Amy está embarazada y va a querer establecer una cuenta de ahorros para la educación futuro. Melinda sabe que el interés ganado en el banco ayudará con los gastos de la educación.

VALORES

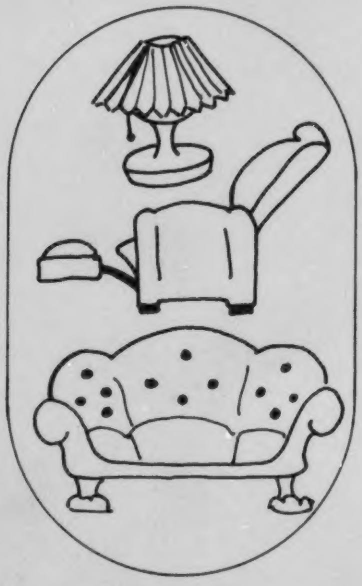
(Cartel que va con los estudios de casos, pág. 00)

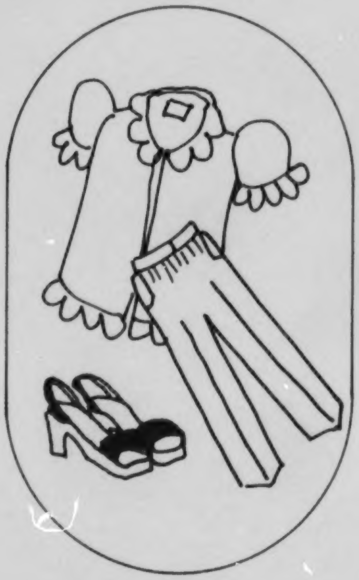


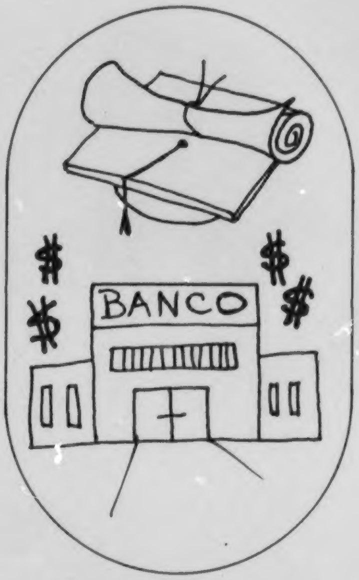




LA GENTE TIENE IDEAS DIVERSAS
SOBRE LO QUE ES IMPORTANTE

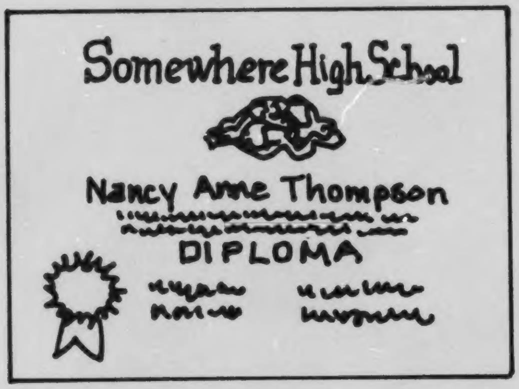




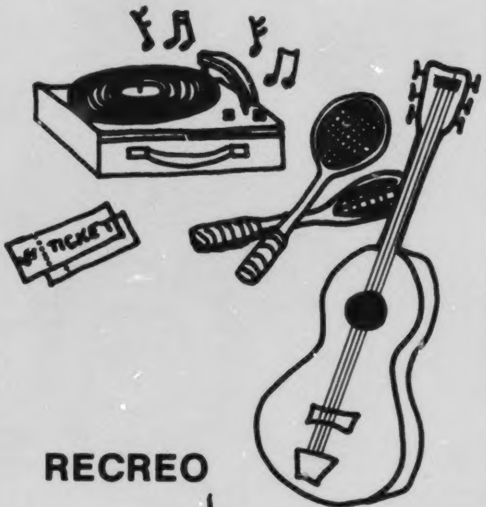


CARTEL

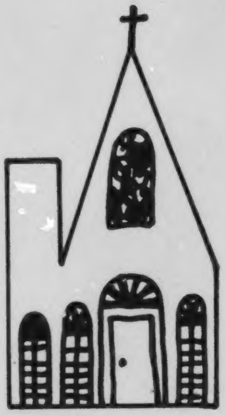
(35)


Somewhere High School
Nancy Anne Thompson
DIPLOMA

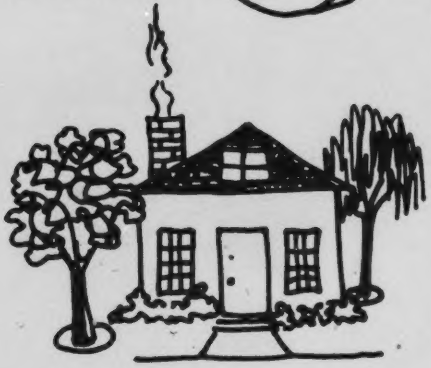
EDUCACIÓN



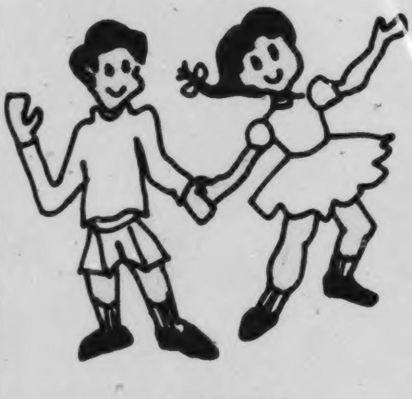
RECREO



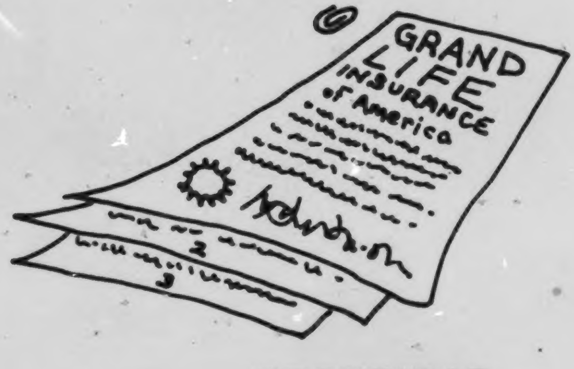
RELIGIÓN



HOGAR



SALUD


GRAND
LIFE
INSURANCE
of America

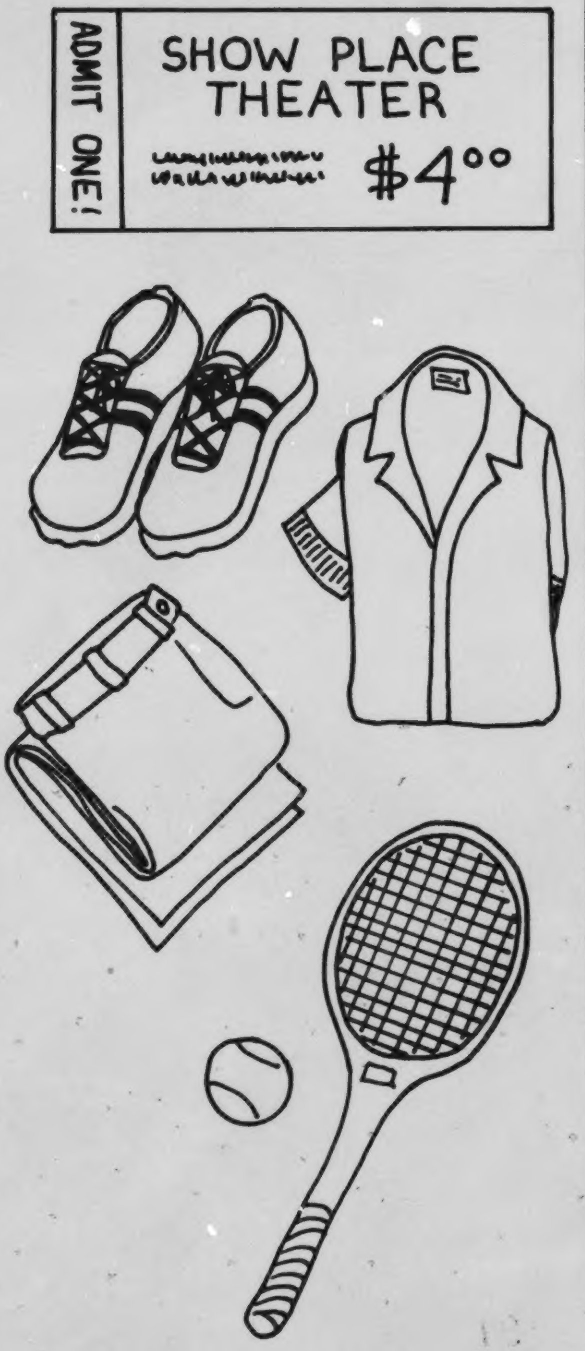
SEGURIDAD

METAS

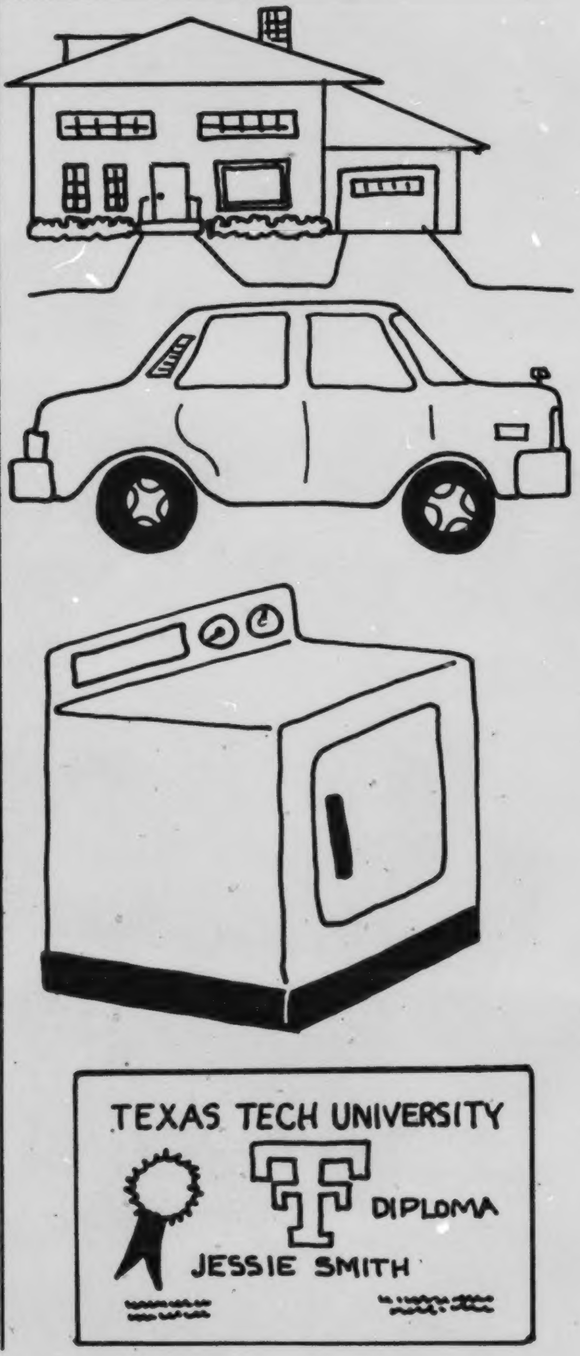
(36)

(Cartel)

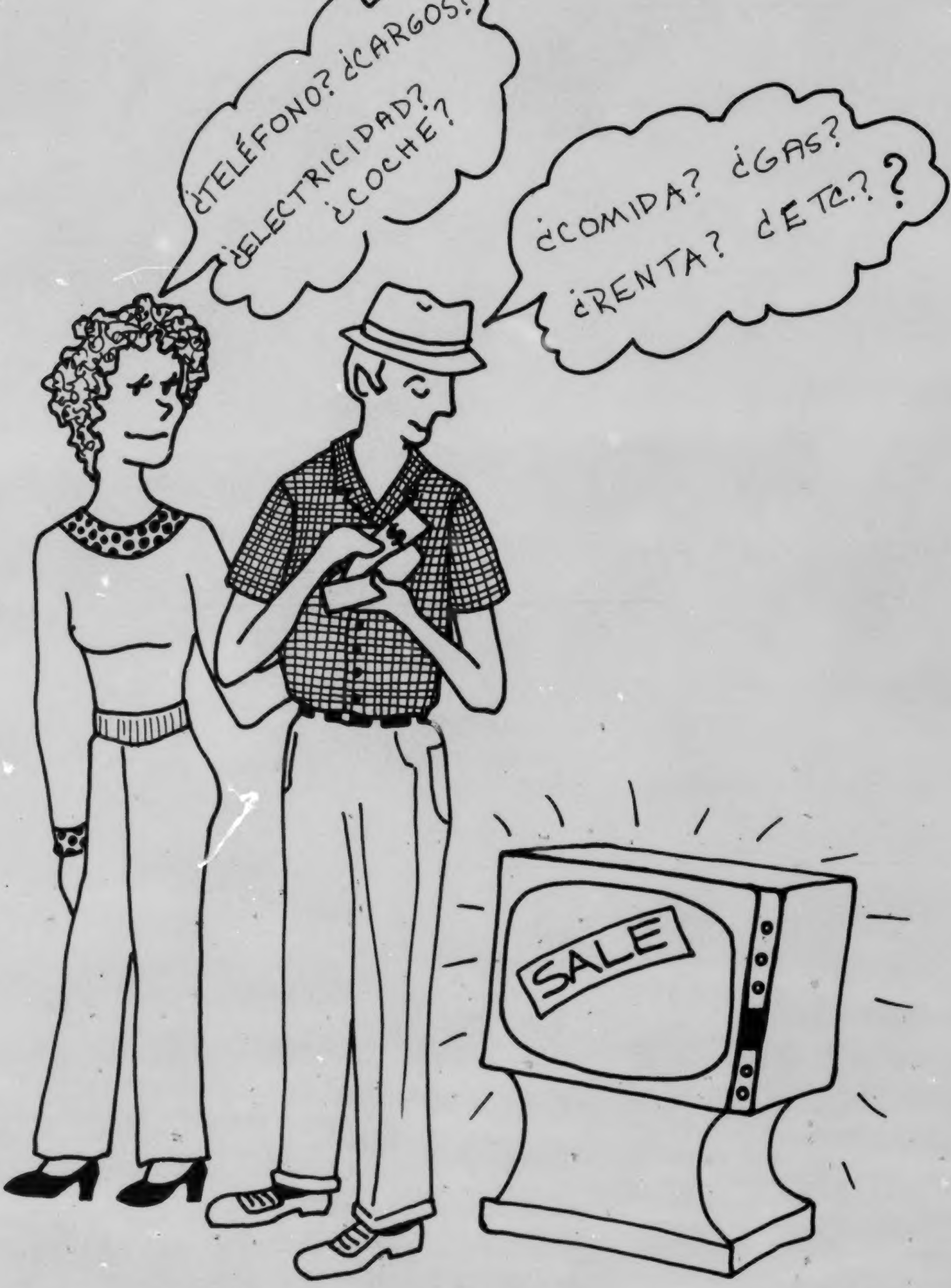
TÉRMINO INMEDIATO


ADMIT ONE!
SHOW PLACE THEATER
$4⁰⁰

TÉRMINO LARGO


TEXAS TECH UNIVERSITY
DIPLOMA
JESSIE SMITH

(37)


¿TELÉFONO? ¿CARGOS?
¿ELECTRICIDAD?
¿COCHE?
¿COMIDA? ¿GAS?
¿RENTA? ¿ETC.? ?
SALE

VALORES Y METAS
(Hoja para Repartir)

¿Cuáles son sus definiciones de valores personales y metas? Piense en sus propios valores y metas. En la segunda columna, hágase una lista de cinco valores que usted tiene. Junto a cada valor, ponga una meta para el futuro próximo y/o para el futuro lejano que usted tenga para cada valor. En la primera columna, hágase una lista de sus valores, desde el más importante hasta el menos importante. Esté preparado a discutir con la clase estos valores y metas.

I En Orden de Importancia	II Valores	III Metas
	1.	Futuro Próximo Futuro Lejano
	2.	Futuro Próximo Futuro Lejano
	3.	Futuro Próximo Futuro Lejano
	4.	Futuro Próximo Futuro Lejano
	5.	Futuro Próximo Futuro Lejano

NECESIDADES Y DESEOS
(Tabla de Franela)

(42)

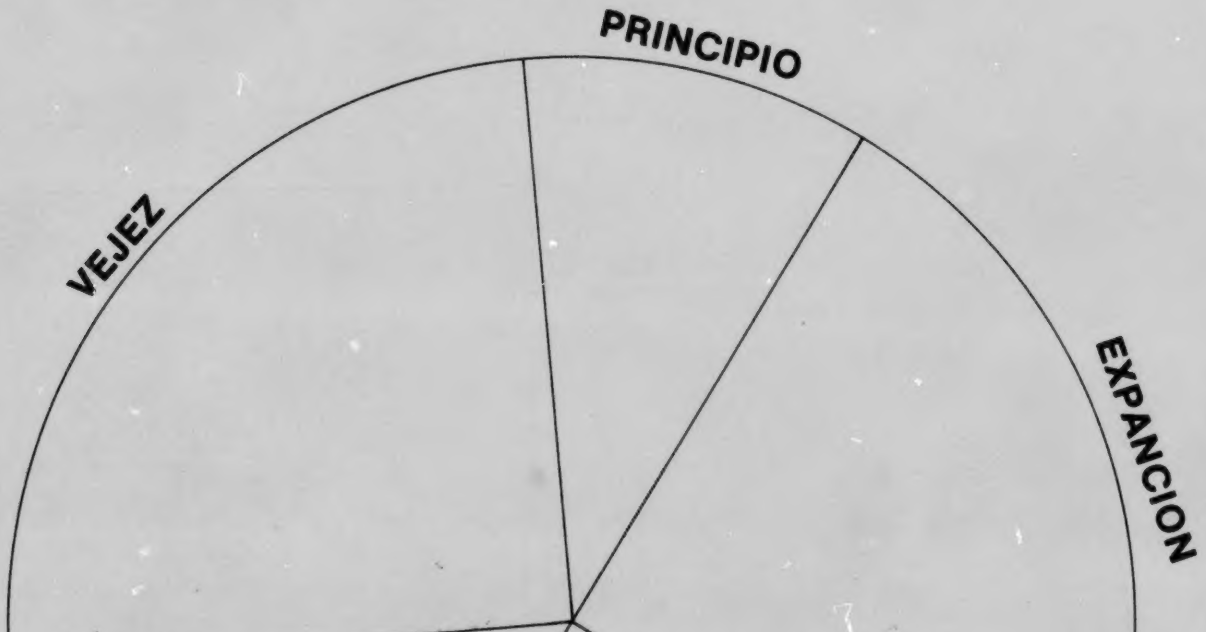
Direcciones: Busque o dibuje ilustraciones de las cosas mencionadas abajo. Pegue un pedazo pequeño de franela al revés de cada ilustración. Prepare una tabla de franela. Ponga las palabras "Necesidades" y "Deseos" en la tabla como se ve abajo. Reparta las ilustraciones a otros miembros de la clase para discutir la identificación de necesidades y deseos.

Necesidades	Deseos
comida	televisor
ropa	radio
renta o pago de casa	ropa de moda
transportación	grabadora
electricidad	cámera
agua	fusil
medicina	material para pescar
provisiones de escuela	boletos para el cine
lavandería	maquillaje
muebles	navaja
seguro	peluca

CICLO DE LA VIDA FAMILIAR

(43)

(Tabla de Franela o Transparencia)


PRINCIPIO
EXPANCION
LANZAMIENTO
EDAD MEDIANA
VEJEZ

CARACTERÍSTICAS DE CADA NIVEL
(Cubrir)

(44)

Parto
Iniciando un hogar

Jubilación

Nacimiento de un Hijo
Nivel Escolar
Escuela Secundaria
Universidad

Esposo y Esposa Solos

Adolescencia
Los Hijos se Van

GASTOS MAYORES DE CADA NIVEL

Hogar
Muebles
Nacimiento de Hijos
Provisiones de Casa

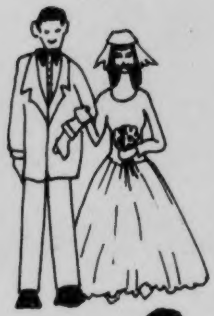
Hogar
Medicina
Funerales

Cuidado de los Niños
Ropa de Niños
Gastos de la Escuela
Gastos de la Universidad
Compra de una Casa
Comida
Seguro

Medicina
Cuidado de los Padres
Pago del Seguro
Divertimiento
Gastos de la Casa

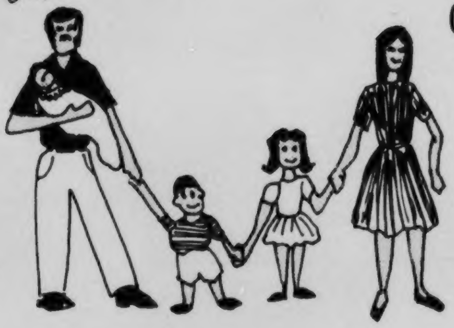
Gastos de la Escuela
Gastos de Bodas
Ropa
Comida

Niveles de la Vida Familiar (46)



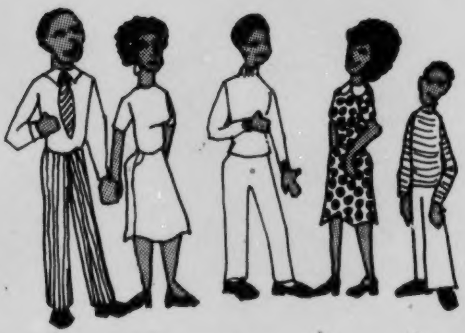
PRINCIPIO

Muebles
Utensilios caseros
Platos



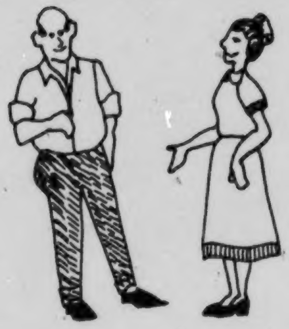
CRECIENDO

Cama de bebé
Gastos médicos
Ropa de maternidad
Juguetes
Muebles
Casa o apartamento más grande
Ropa de niños
Comida
Necesidades de escuela
Costo de seguros



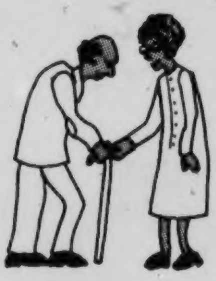
EN MARCHA

Gastos de educación
Ropa
Comida
Gastos de boda
Ahorros para jubilarse



AÑOS MEDIOS

Gastos médicos
Cuido de padres
Utensilios nuevos de casa
Gastos de seguros
Ahorros para jubilarse



AÑOS MADUROS

Cuido médico
Funerales

NECESIDADES Y DESEOS
(Historias Incompletas)

Los Gonzales

Sr. y Sra. Gonzales y sus cinco hijos viven en un edificio de apartamentos. Los hijos tienen 5, 7, 10, 12 y 15 años de edad. El apartamento tiene conexiones para una lavadora/secadora, pero la familia lava la ropa en una lavandería automática porque no tienen una lavadora. La lavandería queda a una milla del apartamento. Además, los Gonzales tienen que lavar la ropa cuando regresan del trabajo, a las 6:00 de la tarde o el domingo. Por las tardes, todos los miembros de la familia están cansados, y se quejan porque tienen que lavar la ropa. Para facilitar la tarea, los Gonzales están ahorrando dinero para comprar una lavadora. Ahora tienen $75.00. Es el momento para mirar las máquinas en las tiendas.

Ya se terminó la escuela. Los jóvenes quieren empezar sus actividades del verano. Ramon, que tiene 12 años, desea un bate de béisbol nuevo que cuesta $12.00. Julia, que tiene 15 años, desea un guante para jugar en el equipo de béisbol. Este mes, el único dinero que la familia tiene son los $75.00, ahorrados para comprar una lavadora.

¿Qué deben hacer?

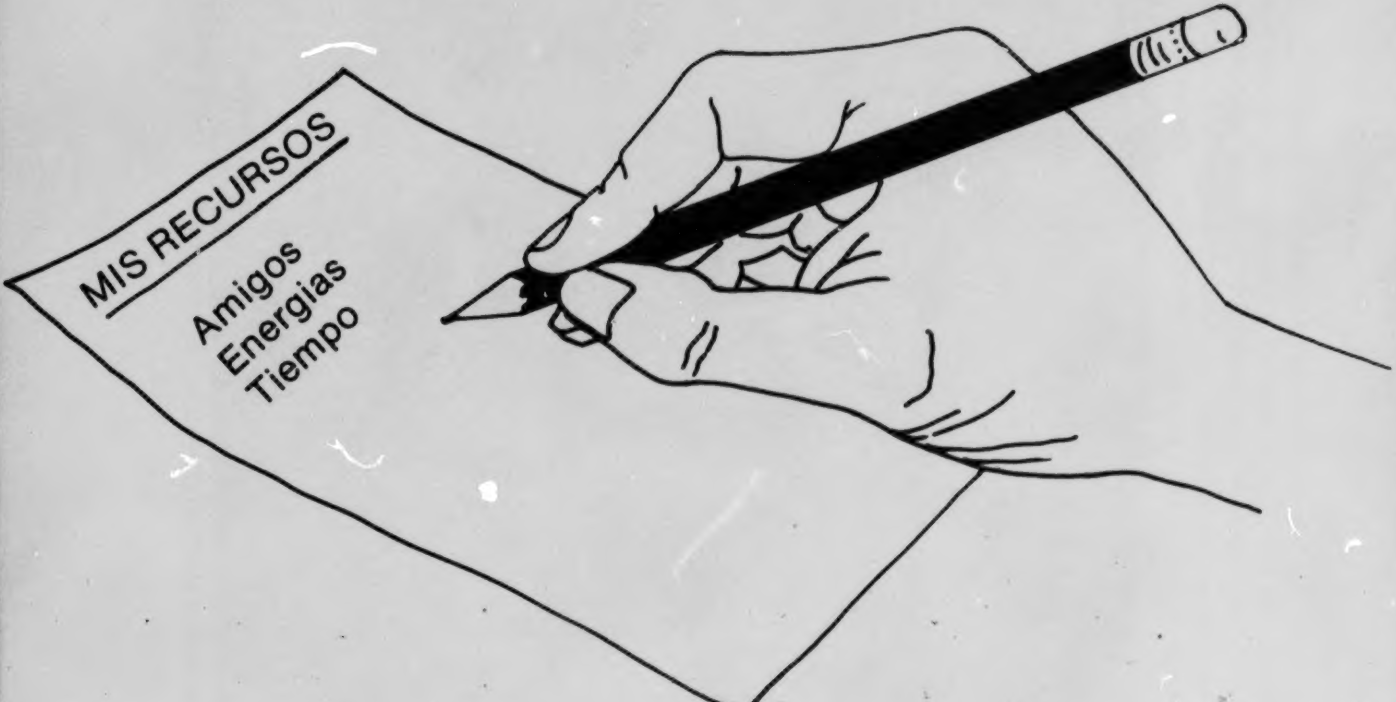
Los Wades

Sr. y Sra. Wade tienen tres hijos de 10, 13 y 15 años de edad. La familia necesita un televisor nuevo, puesto que el televisor que tienen no funciona bien. A toda la familia le gusta mirar la t.v., sobre todo los programas de deportes. Connie, de 15 años, desea unos patines, y ha pedido el dinero. Bruce, de 10 años, necesita zapatos de tenis para su clase de gimnasio. También ha pedido una bicicleta nueva a sus padres. La enfermera de la escuela ha dicho que Dave necesita anteojos porque no puede ver la pizarra. Después de determinar los gastos del mes (comida, renta, etc.), los Wades tienen $60.00 de sobra.

¿Cómo deben utilizar los $60.00?

¿En qué orden pueden comprar las cosas mencionadas arriba?

MIS RECURSOS

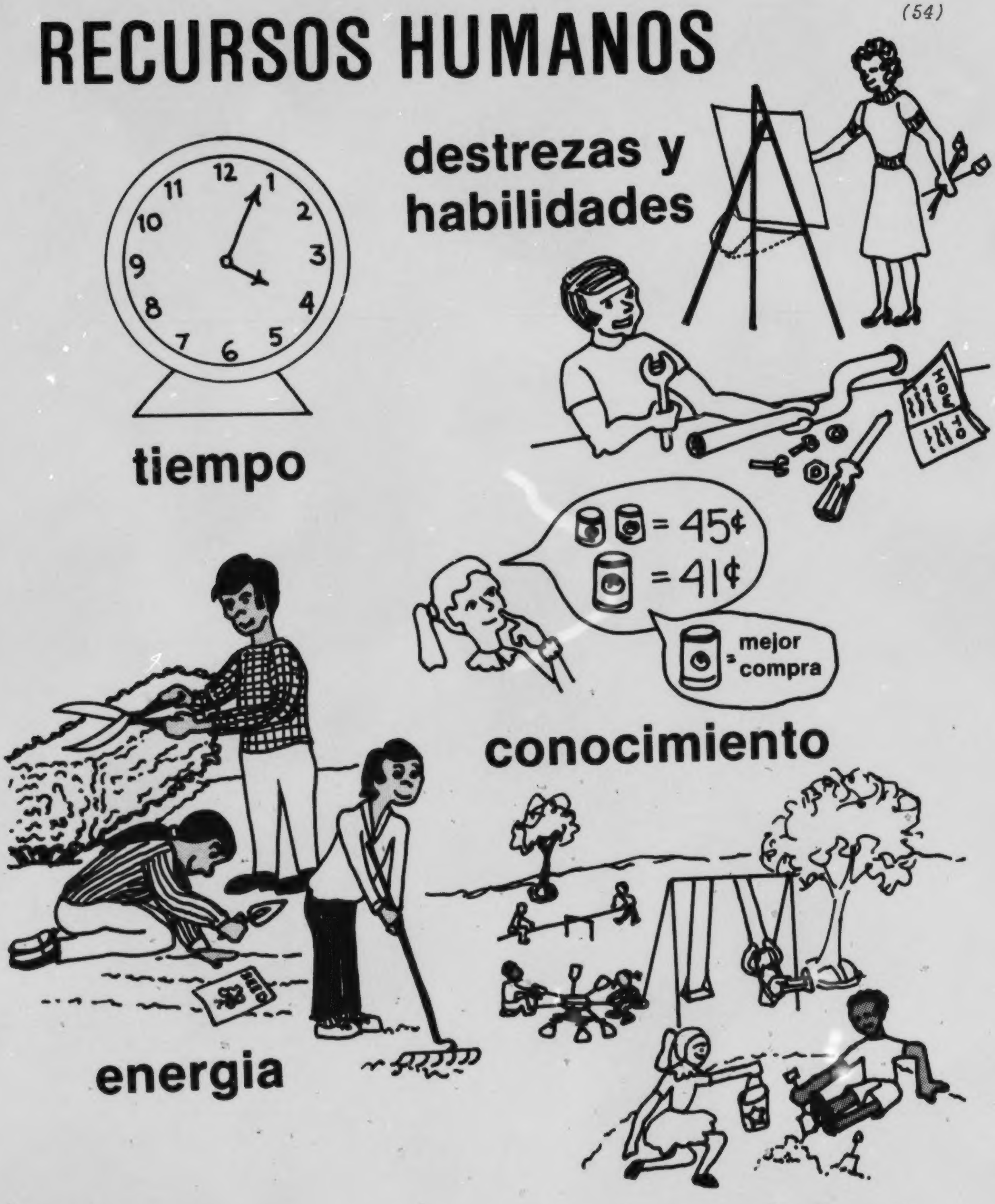

MIS RECURSOS
Amigos
Energias
Tiempo

RECURSOS

HUMANOS	NO HUMANOS

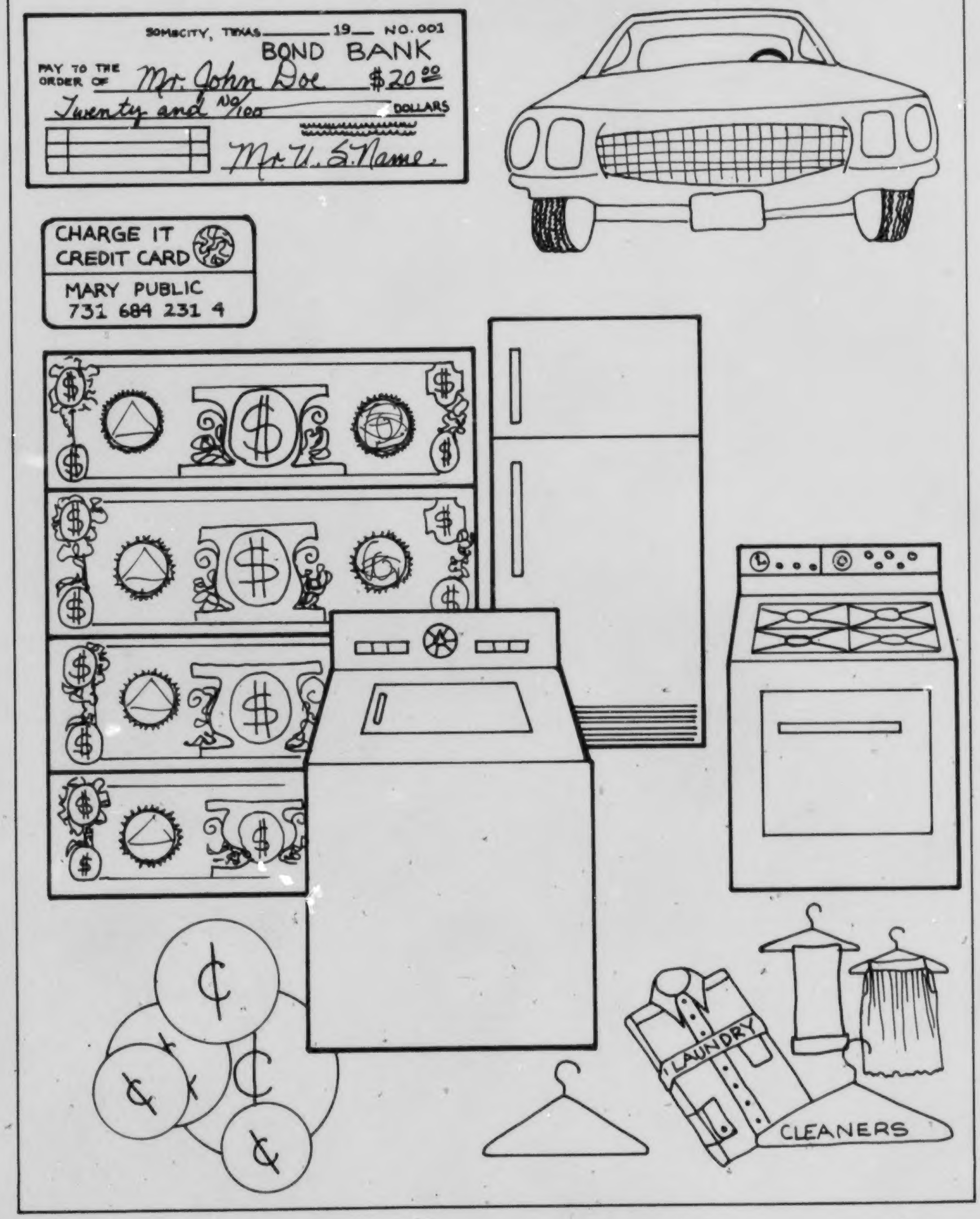
(54)

RECURSOS HUMANOS


destrezas y habilidades
tiempo
= 45¢
= 41¢
= mejor compra
conocimiento
energia
servicios

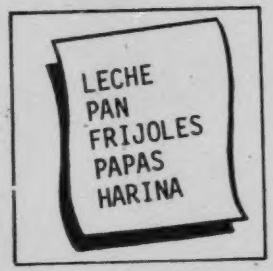
RECURSOS NO-HUMANOS

Poder de Compra Bienes y Servicios Disponibles

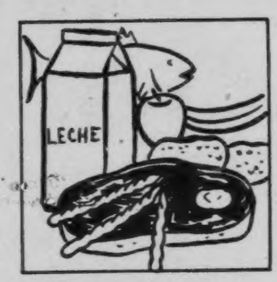

SOMECITY, TEXAS ______ 19__ NO. 001
BOND BANK
PAY TO THE ORDER OF Mr. John Doe $20.00
Twenty and no/100 DOLLARS
Mr U. S. Name
CHARGE IT CREDIT CARD
MARY PUBLIC
731 684 231 4
LAUNDRY
CLEANERS

HABILIDADES COMO RECURSOS
(Diapositivas Instantáneas 2x2)

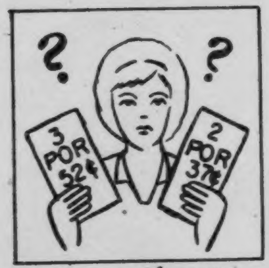
(56)


LECHE
PAN
FRIJOLES
PAPAS
HARINA

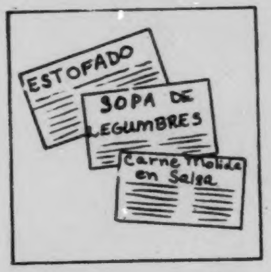
1. Hacer una Lista



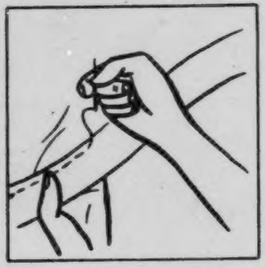
2. Planear buenas comidas


?
?
3 POR 52¢
2 POR 37¢

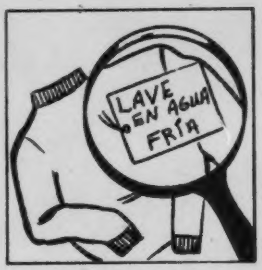
3. Comprar barato


ESTOFADO
SOPA DE LEGUMBRES
Carne Molida en Salsa

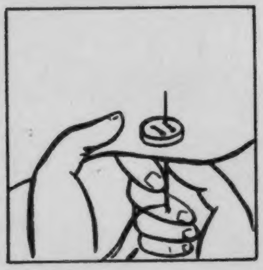
4. Preparar comidas - baratas



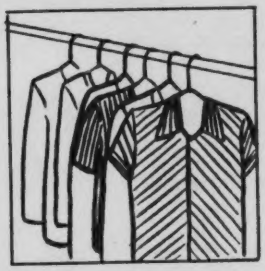
5. Hacer alteraciones


LAVE EN AGUA FRÍA

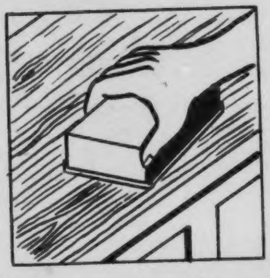
6. Leer etiquetas y seguir instrucciones



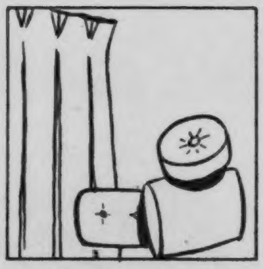
7. Reparar ropa



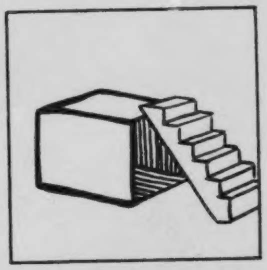
8. Planchar y guardar ropa



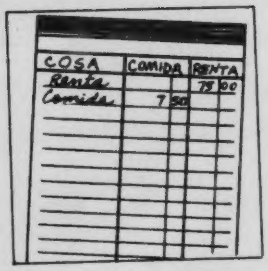
9. Reparar muebles



10. Hacer artículos de casa



11. Hacer juguetes de niños


COSA
COMIDA
RENTA
Renta
Comida
75 00
7 50

12. Hacer una lista de gastos

RECURSOS DE NUESTRA FAMILIA

(Hoja para repartir)

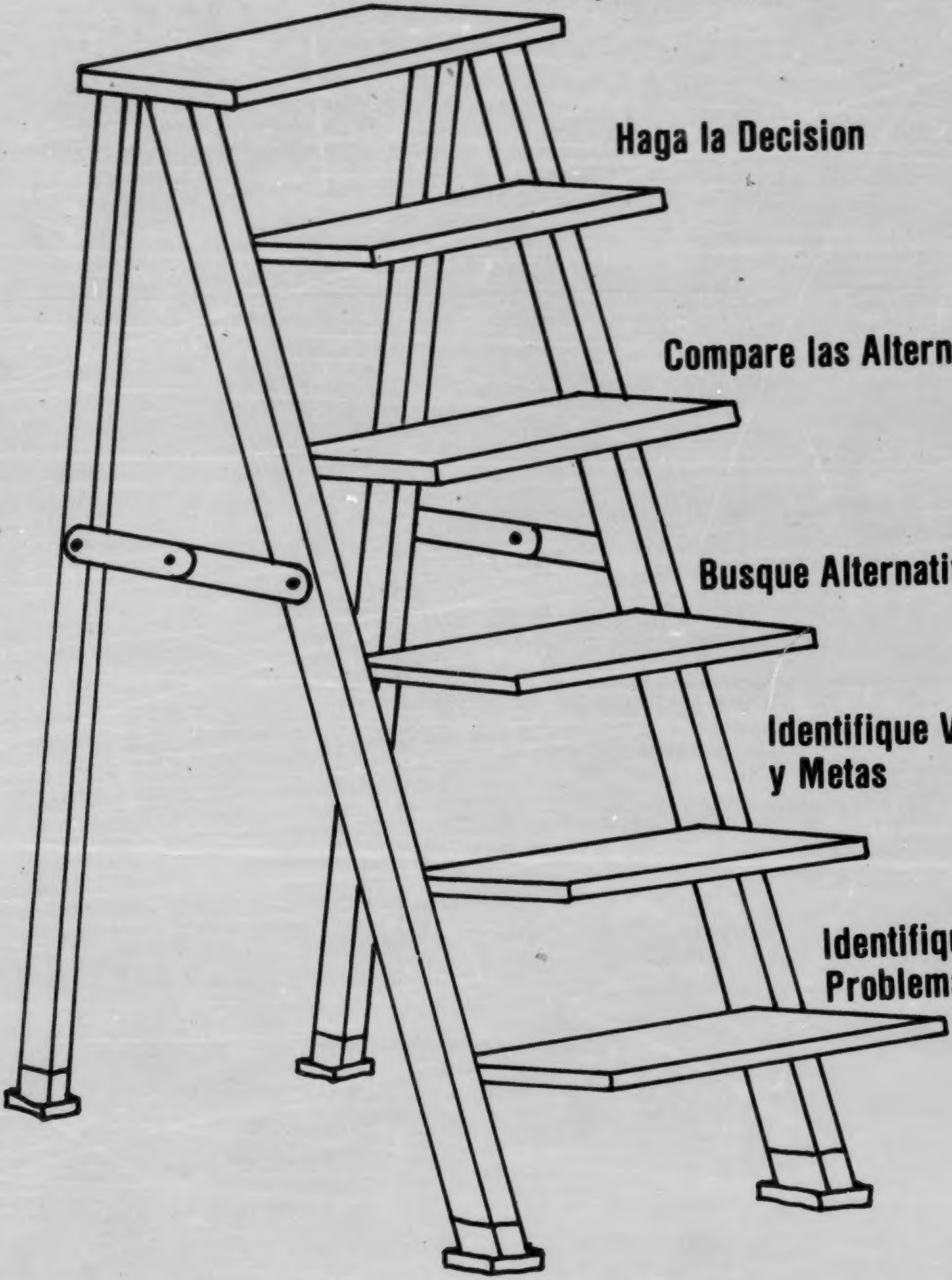
(57)

Direcciones: Ponga un círculo en los recursos disponibles a su familia. Escriba los recursos que posee que no están en esta lista.

DINERO Ingresos Seguro Social Seguro de desempleón Seguro de enfermedad Beneficios de veterano Ahorros Estampillas para comida	**CRÉDITO** Crédito Préstamos del banco	**SERVICIOS** Ayuda del gobierno Utilidades Ayuda Legal Empleo Agencias de la comunidad La iglesia
COMUNIDAD Centros de recreo Parques Lagos Organización de Comerciantes	**SEGURO** Vida Salud Medicaid Medicare Carro Casa	**CAPACIDADES** Hablar un idioma extranjero Bailar Cantar Talentos naturales
CONOCIMIENTO Como manejar el dinero de la familia. Historia Niños Matemáticas	**HABILIDADES** Carpintería Hacer ropa Electricidad Hacer la Comida	**ENERGÍA** Fuerza Buena salud Inteligencia Vivacidad
TIEMPO Descanso Trabajo Escuela Reuniones de la familia Individual	**INTERESES** Negocios Arte Costura Deportes Lectura	

PASOS A FORMAR UNA DECISION

(63)



Acepte la Responsabilidad

Haga la Decision

Compare las Alternativas

Busque Alternativas

Identifique Valores
y Metas

Identifique el
Problema

LA FAMILIA YOUNG HACE UNA DECISIÓN

(64)

La familia de Mike Young nunca se queda en casa. Pasa mucho tiempo visitando a los vecinos, van al cine o a bares, patinan, van a partidos de béisbol, etc. Casi nunca van juntos como una familia, no tienen tiempo para hablar entre ellos, y unas veces se enojan de otros miembros de la familia. Finalmente, un día, Gina Young preguntó:—¿Qué pasa con nosotros? Nunca pasamos tiempo juntos en la casa!

—No sé, Gina, pero ¿Qué haríamos juntos en la casa? Preguntó Mike.

Pues, podríamos..., dijo Gina, y entonces admitió que tampoco sabía ella lo que podrían hacer. Ahora los Young saben que tienen un problema.

—¿Es realmente importante que hagamos cosas en la casa? preguntó Mike.

—Creo que sí, dijo Gina.—Mi familia es importante a mi, y me gustaría verla junta en casa. Podríamos conocernos mejor.

—A propósito, no hemos estado muy contentos en no saber lo que hacen los hijos, ni quienes son sus amigos. No me gusta ir al cine al boliche solo. A mí también, me gustaría pasar más tiempo juntos como una familia.

Ahora los Young han identificado los valores y las metas intrínsicos. El valor es la familia. Su meta es pasar más tiempo juntos.

—¿Qué hacen las demás familias? pregunta Mike.

—Pues, unas familias tienen días de campo, tienen pasatiempos, miran la televisión, reparan cosas en la casa, hacen rompecabezas, y otras cosas muchas, contestó Gina después de pensar un momento.

—Ya entiendo. Cosas que todos pueden hacer, dijo Mike. ¡Pensemos en algunas cosas que podríamos hacer nosotros!

Mientras los Young seguían pensando, descubrían muchas otras cosas que la familia podría hacer junta. Los Young han identificado un número de soluciones posibles. Sin embargo, la cosa más importante que hallaron fue fue que para realizar su meta, tendrían que cambiar su presente manera de vivir. Para aumentar el número de horas en la casa, cada miembro de la familia tendría que pasar menos tiempo fuera de la casa. En lugar de gastar todo el dinero para recreo en actividades fuera de la casa, tendrían que ahorrar algo para el recreo en casa. Además, si los Young decidieran interesarse en unos pasatiempos dentro de la familia, podrían mejorar sus habilidades para disfrutar bien de estas actividades. Los Young han revisado sus recursos para ver cuales son disponibles para solucionar su problema.

Mike y Gina y sus tres hijos platicaron de las cosas que podrían hacer para pasar más tiempo juntos. Decidieron investigar cuatro de estas soluciones. Las cuatro posibilidades incluyeron: comprar un televisor, reparar muebles, trabajar en el jardín y hacer camping.

Entonces, los Young consideraron los resultados posibles de estas cuatro soluciones. Hemos aquí lo que aprendieron:

Si compran un televisor ahora, tendrán que comprar a crédito, y posiblemente no podrán comprar las demás cosas que la familia necesita. Además, la familia no logrará su meta por completo, porque lo que quieren es conocerse mejor. La t.v. es básicamente para escuchar y mirar. (65)

Si la familia decide hacer un pasatiempo de reparar muebles, es posible que no tendrán la habilidad necesaria. Las provisiones costarán mucho dinero. De otra mano, los Young necesitan muebles nuevos, y repararlos podría salir menos caro, y embellecería la casa, otra meta que tenían. En adición, si el proyecto fuera un éxito, la familia podría seguir reparando muebles para otros y ganar dinero así. Este plan les daría la oportunidad de conocerse mejor.

Si los Young hacen un pasatiempo del jardín, tendrán que hallar otro proyecto para los meses del invierno. Necesitarían útiles y mucha habilidad para llevar este proyecto a cabo. Además, el jardín tendría que ser pequeño proque el jardín de los Young no tiene mucha tierra. El costo de la agua podría aumentar los gastos. Este proyecto daría a los miembros de las familia más tiempo para trabajar y platicar juntos.

Camping es otro pasatiempo del verano. Si los Young se hacen aficionados del camping, los gastos del equipaje podrían ser grandes. También, los lugares de camping están alejados de la casa de los Young. Sin embargo, es algo que podrían hacer juntos.

Después de considerar estos resultados posibles, los Young decidieron reparar muebles como su pasatiempo. Para poner su plan en acción, decidieron trabajar los sábados y los domingos por la tarde. Primero, leerían libros y hablarían con otra gente para aprender todo lo posible. Entonces, irían a ventas en garajes, a tiendas de segunda mano, a tiendas de muebles usados, etc., hasta hallar un solo mueble para empezar su proyecto. Entonces, miembros de la familia trabajarán juntos en la reparación. Ahorrarían dinero cada semana para comprar útiles y provisiones.

Un Año Después

Un año después los Young tienen una vida familiar muy diferente. Escuchemos mientras hablan de los resultados de su proyecto.

—Pues, Gina, ¿qué opinas?, preguntó Mike terminando el arreglo de una pata para una silla.

—¡Qué bonito! exclamó Gina.

—Sí, es! Gritaron los tres hijos.

—Piensen Uds., agregó Mitch,—nosotros hemos hecho todo esto.

—Combina muy bien con las cortinas que hice para mi proyecto en la clase de coser, dijo una hija.

—Ahora todos tienen una silla igual, comentó Amber.

—Sí, hijos, dijo Gina,—hemos reparado muchas cosas en nuestra casa este año. Nos hemos divertido, ¿verdad?

—Sí, dijo Mitch—nunca hubiera estudiado como trabajar con madera si no habríamos decidido hacer esto como pasatiempo. Y nunca habría conseguido este trabajo de verano en la tienda de alfombras del Sr. Fraser. (66)

Otra hija agregó,—Antes no me gustó coser, pero ahora veo que es muy útil. Además, es divertido.

—Creo que lo que me gustó más, dijo Mike Young,—es tener la opertunidad de ver más a mi familia. Nos conocemos mucho mejor después de este año.

—Y otra cosa, dijo Amber,—reparando estos muebles para otras personas, hemos ganado el dinero para comprar un televisor este verano.

—Sí, podemos, dijo Gina.—Creo que todos estamos de acuerdo de que hemos llegado a nuestra meta.

A ESCOGER

(67)

Prepare tarjetas para un juego. Dibuje o recorte fotos de una revista o. Ud. puede simplemente escribir el nombre del artículo. Se debe incluir los artículos siguientes:

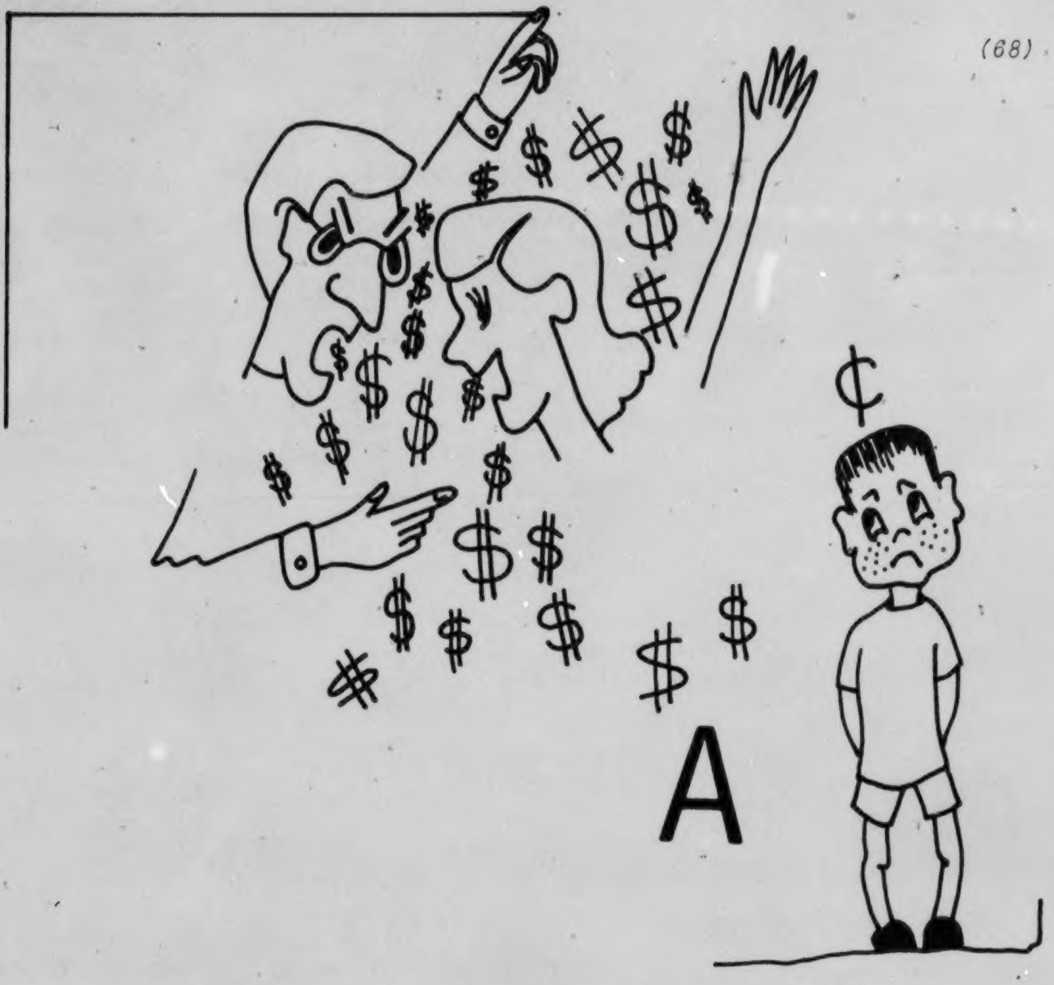
1. Visita anual al médico
2. Ropa
3. Soda o dulces
4. Educación universitaria para un hijo
5. Examen dental
6. Pago del seguro de vida
7. Muebles
8. Pagos de un coche nuevo
9. Televisor
10. Juguetes para niños
11.
12.
12.
14.
15.

Divida la clase en grupos de cuatro o cinco miembros. Distribuya (4-5 cada uno) tarjetas a cada persona. Los participantes arreglan las tarjetas en el orden en que les gustaría comprar los artículos. El participante desechará los artículos que no compraría. Si otro miembro quiere utilizar un artículo de una tarjeta desechada, puede incluir la tarjeta entre las que ya tiene. Después de esto, se discutirán las preguntas siguientes:

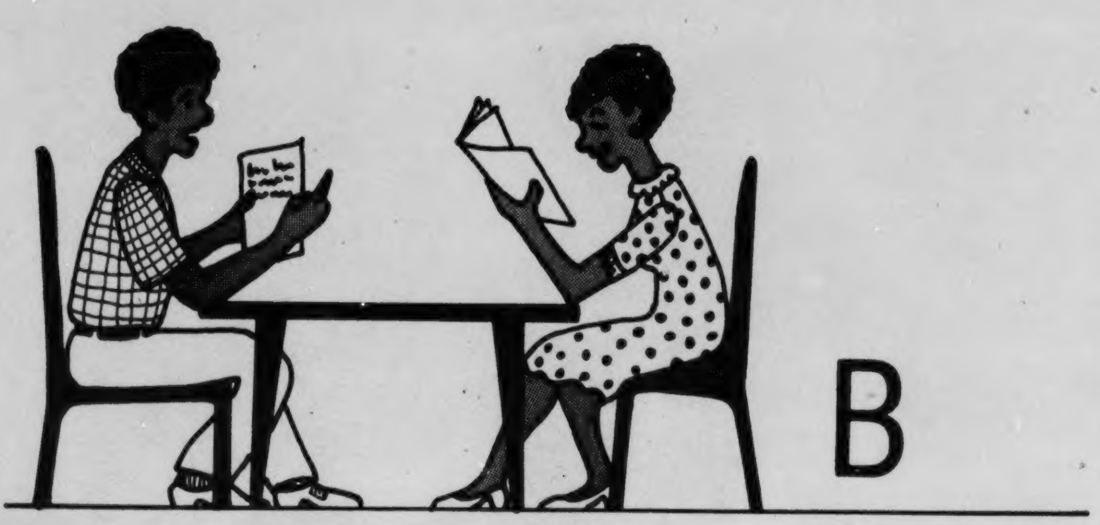
¿Por qué arregló las tarjetas en este orden? (Trate de relacionar las contestaciones a necesidades, deseos, la realidad de la vida familiar y recursos disponibles.)

¿Por qué desechó un artículo?

¿Qué valores indican sus selecciones?



A



B

SITUACIÓN No. I
¿Adónde se fue el dinero?

(69)

Caracteres: Padre
Madre

La madre y el padre están sentados en la sala. Discuten la condición financiera.

Padre: No vamos a tener bastante dinero para pagar nuestras deudas este mes. ¿Por qué compraste la máquina para coser? No tenemos los $10.00 mensuales para pagarla.

Madre: Pues, creí que sería buena idea, y podría ahorrar dinero haciendo la ropa de los niños. Además, ¿cómo podría saber yo que ibas a comprar la grabadora para el coche? Si no habrías comprado la grabadora, no tendríamos problemas ahora.

Padre: Entonces, yo tengo la culpa, ¿verdad? Pues, ¿por qué compraste el swéater para John? El tuvo el dinero para comprarlo, y gastó el dinero en cosas inútiles.

Madre: ¿Ah, sí? Tú compraste el radio transistor para Ann. Ella podría comprarlo con el dinero que gana cuidando a niños.

SITUACÍÓN NO. II

Un Compromiso

Caracteres: Padre
Madre
John, 16 años
Ann, 14 años

La familia está sentada en la sala. Discuten la condición financiera.

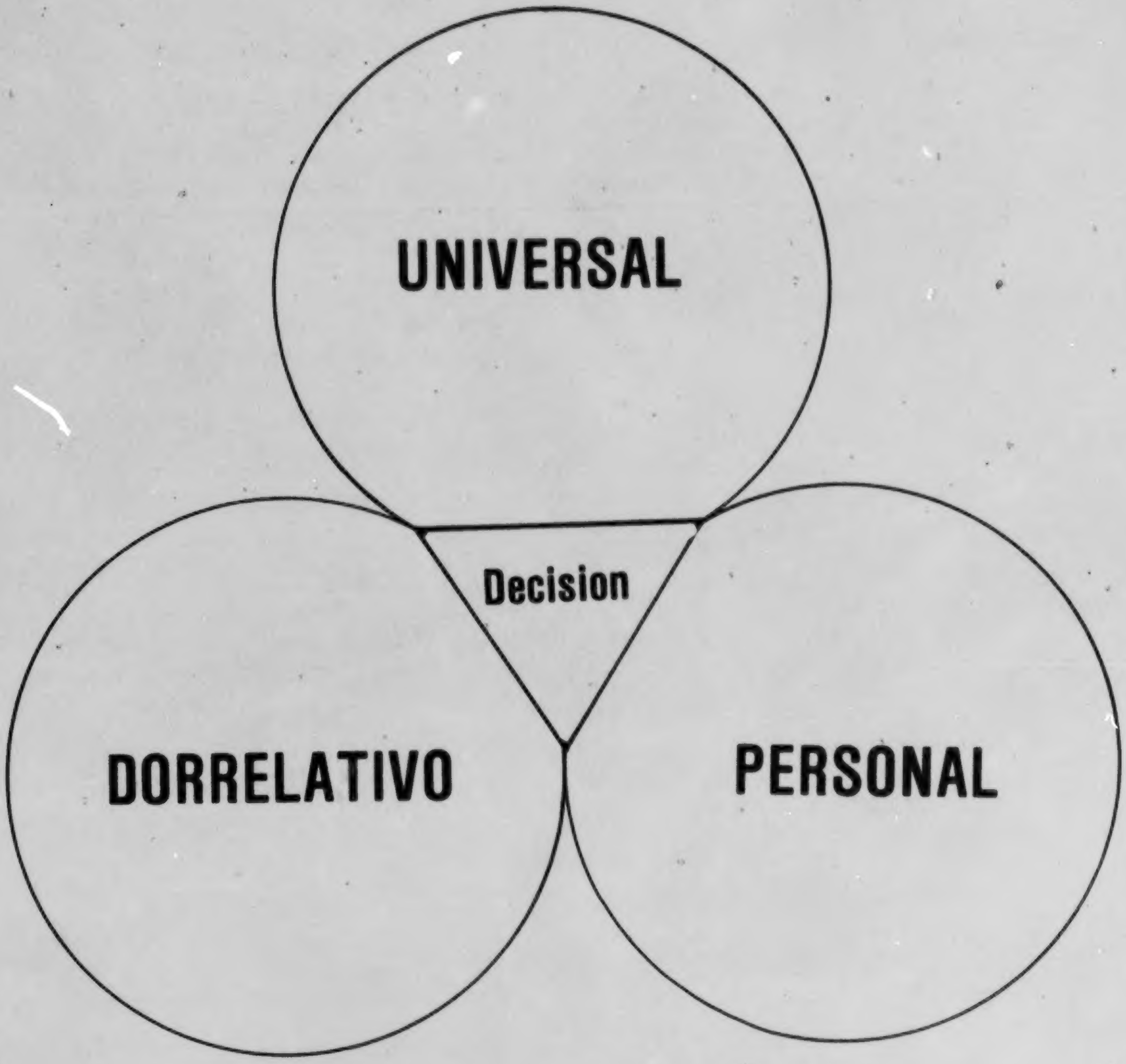
Padre: Acabo de revisar las deudas que tenemos y pensé que deberíamos discutir algunas de las cosas que quieren comprar. Madre, tú dijiste que quisieras una máquina para coser, Juan necesita un swéater, y Ann desea un radio transistor. Además, hemos hablado mucho de una grabadora para el coche.No podemos comprar todas estas cosas y pagar nuestros gastos mensuales. ¿Hay sugerencías?

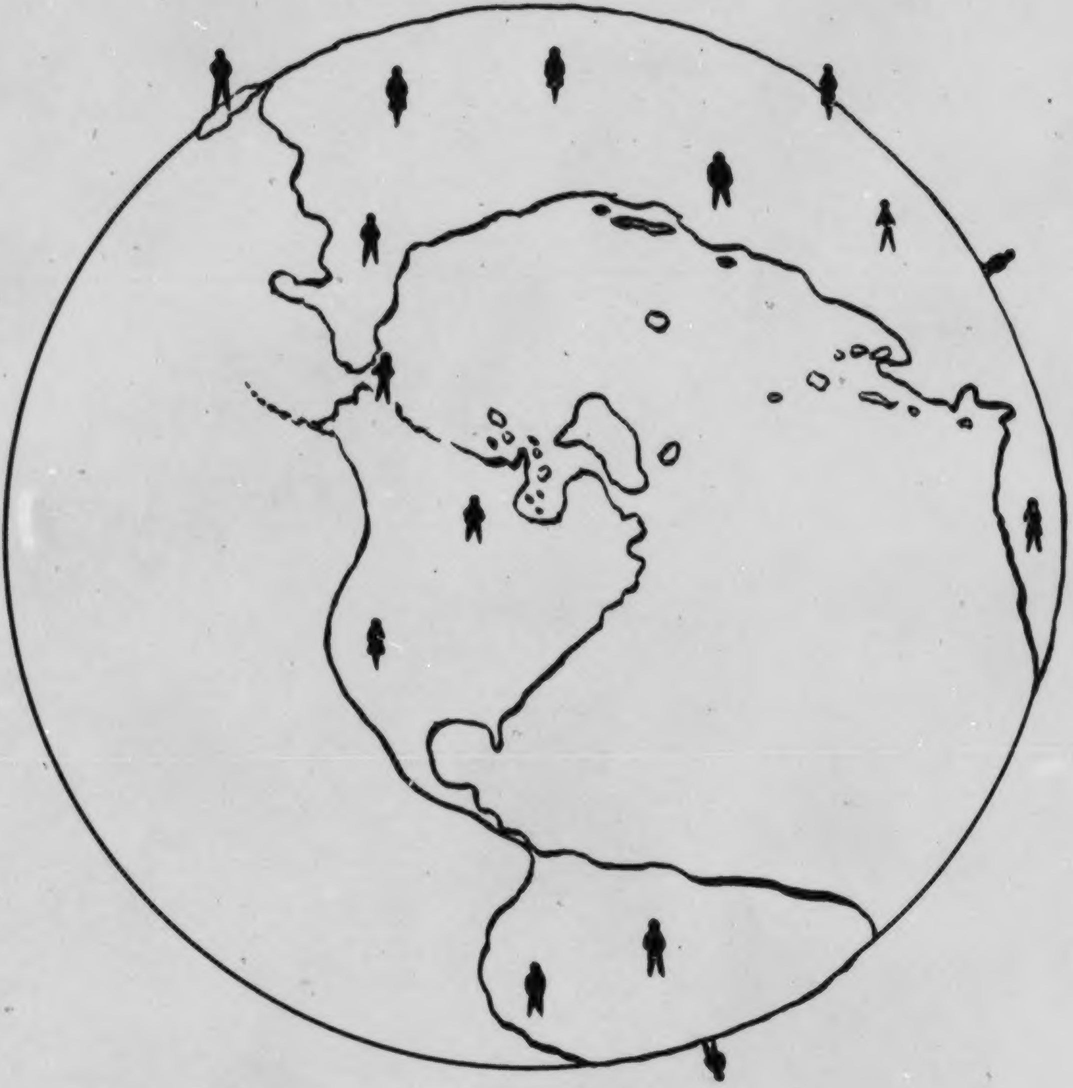
Madre: Desde que asistí a la clase de costura, quise hacer unas cosas, y pensé que podría coser unas cortinas para las ventanas de la cocina. También podría ahorrar dinero haciendo ropa para Ann y mí. Pero si es mejor, esperaré.

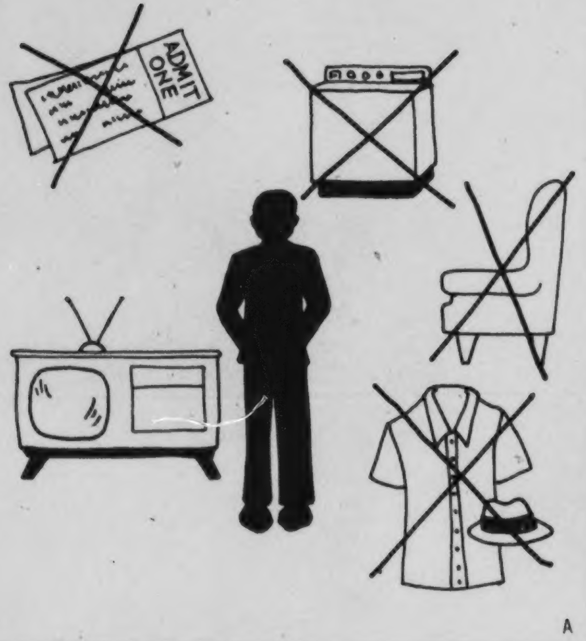
Ann No, creo que debemos comprar la máquina ahora. Me gustaría aprender a coser y necesitamos unas cortinas nuevas. Puedo esperar para el radio. Tal vez puedo ganar bastante dinero cuidando a niños para comprar la tela para unos vestidos nuevos.

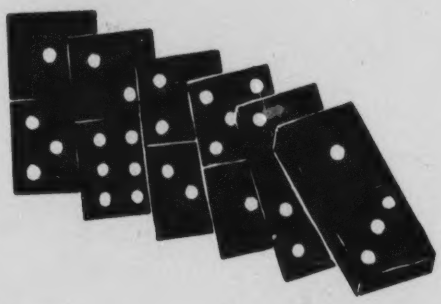
John: Es verdad que necesito un swéater, pero puedo comprarlo con el dinero que gano en mi trabajo. Tendré que esperar un poco, pero puedo hacerlo. Entonces, no tienen que usar el dinero de la familia para mi swéater. Es posible que yo podré hacer el swéater cuando tengamos la máquina para coser.

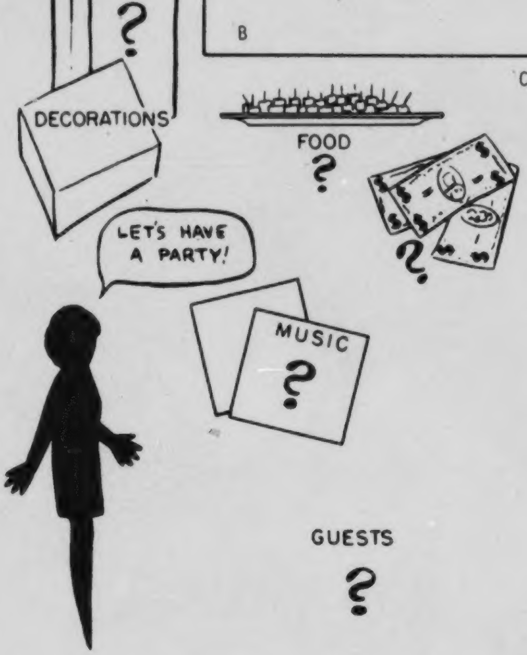
Padre: Pues, parece que podremos arreglar todo. Creo que podremos pagar los pagos mensuales de la máquina. Cuando todo esté pagado, podemos pensar otra vez en la grabadora.

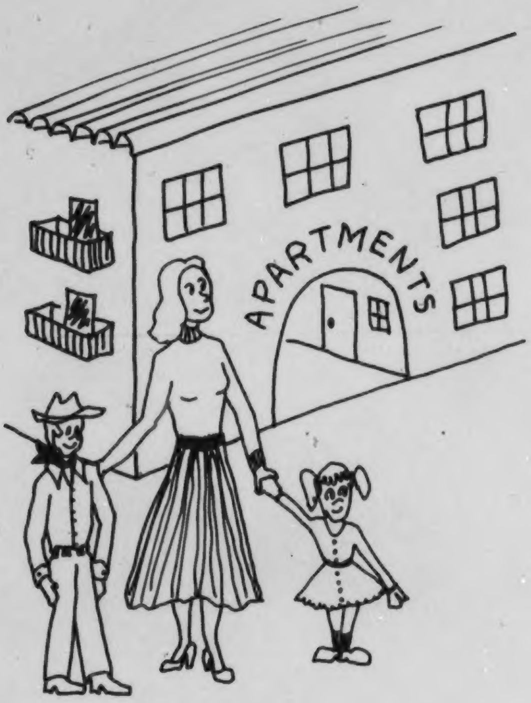

UNIVERSAL
Decision
DORRELATIVO
PERSONAL

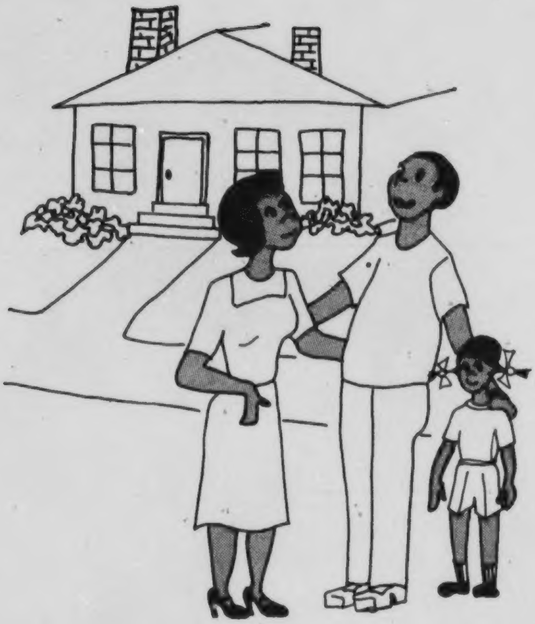


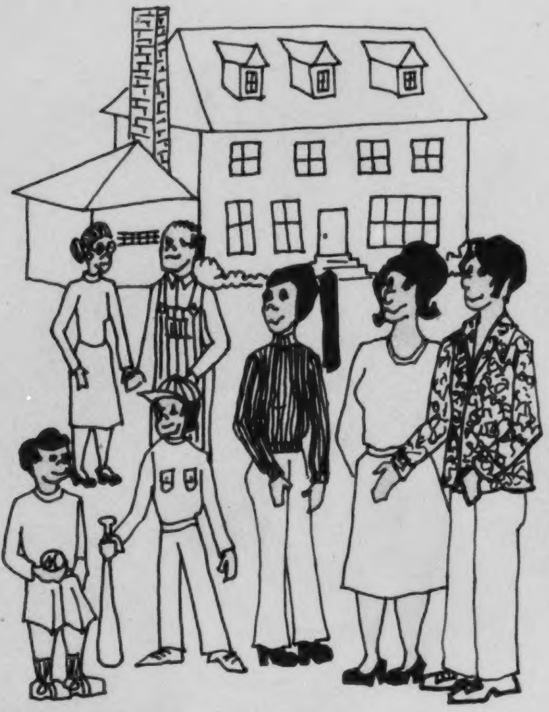

ADMIT ONE
A

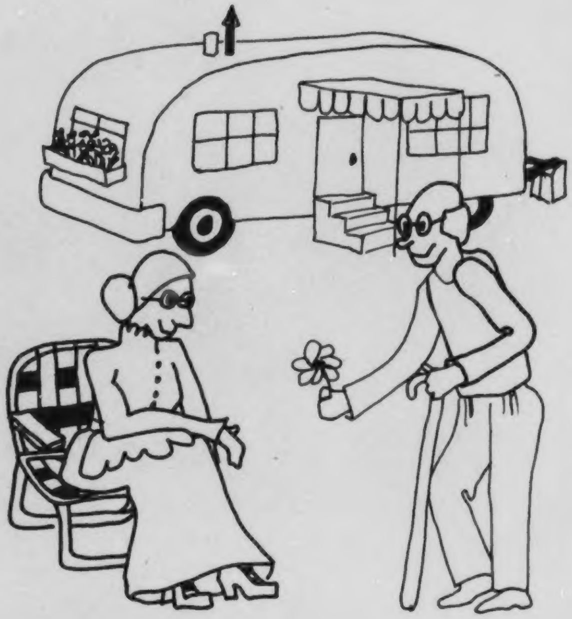

B


C
?
DECORATIONS
FOOD
?
?
LET'S HAVE A PARTY!
MUSIC
?
GUESTS
?


APARTMENTS





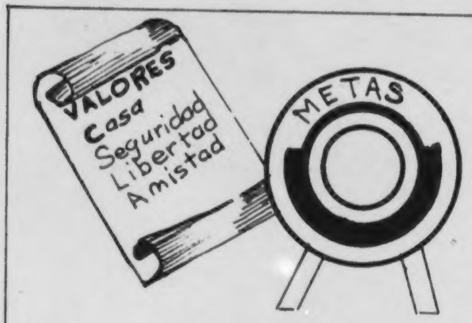


HACIENDO UNA DECISION

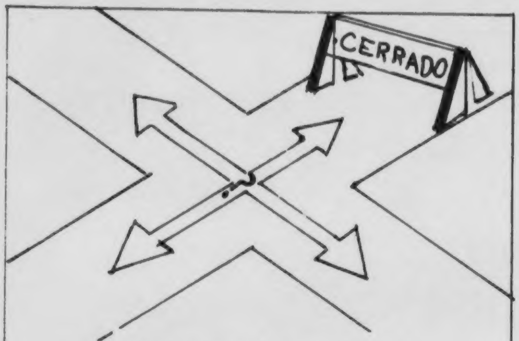
(75)

¿?

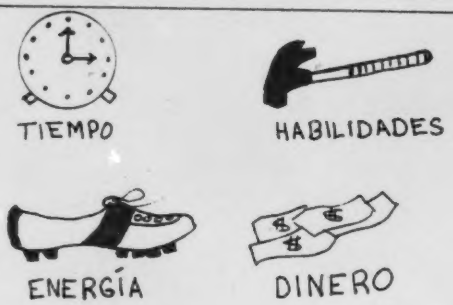
¿Que es el problema?


VALORES
Casa
Seguridad
Libertad
Amistad
METAS

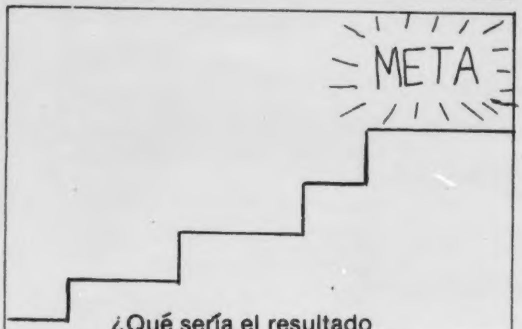
¿ Qué valores y metas están envueltos?



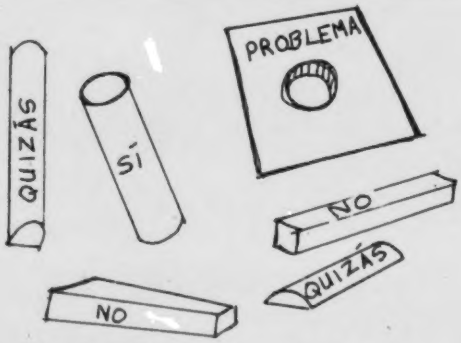
¿Cuáles son las soluciones posibles?


TIEMPO
HABILIDADES
ENERGÍA
DINERO

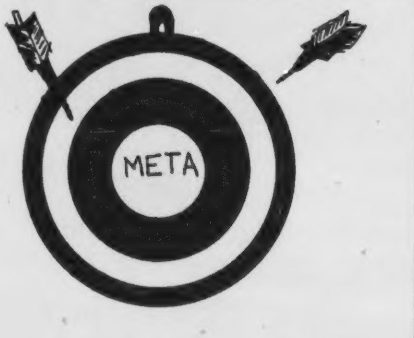
¿ Qué recursos tiene Ud.?



¿Qué sería el resultado de las distintas soluciones?


QUIZÁS
SÍ
PROBLEMA
NO
QUIZÁS
NO

Escoja una alternativa y realice el plan.



Evalúe los resultados.

PRÁCTICA EN HACER DECISIONES

(76)

DIRECCIONES: Ponga abajo una de sus decisiones más recientes. Emplee esta hoja para describir la decisión.

1. El problema que tuve fue:

2. Varias posibilidades que tuve:

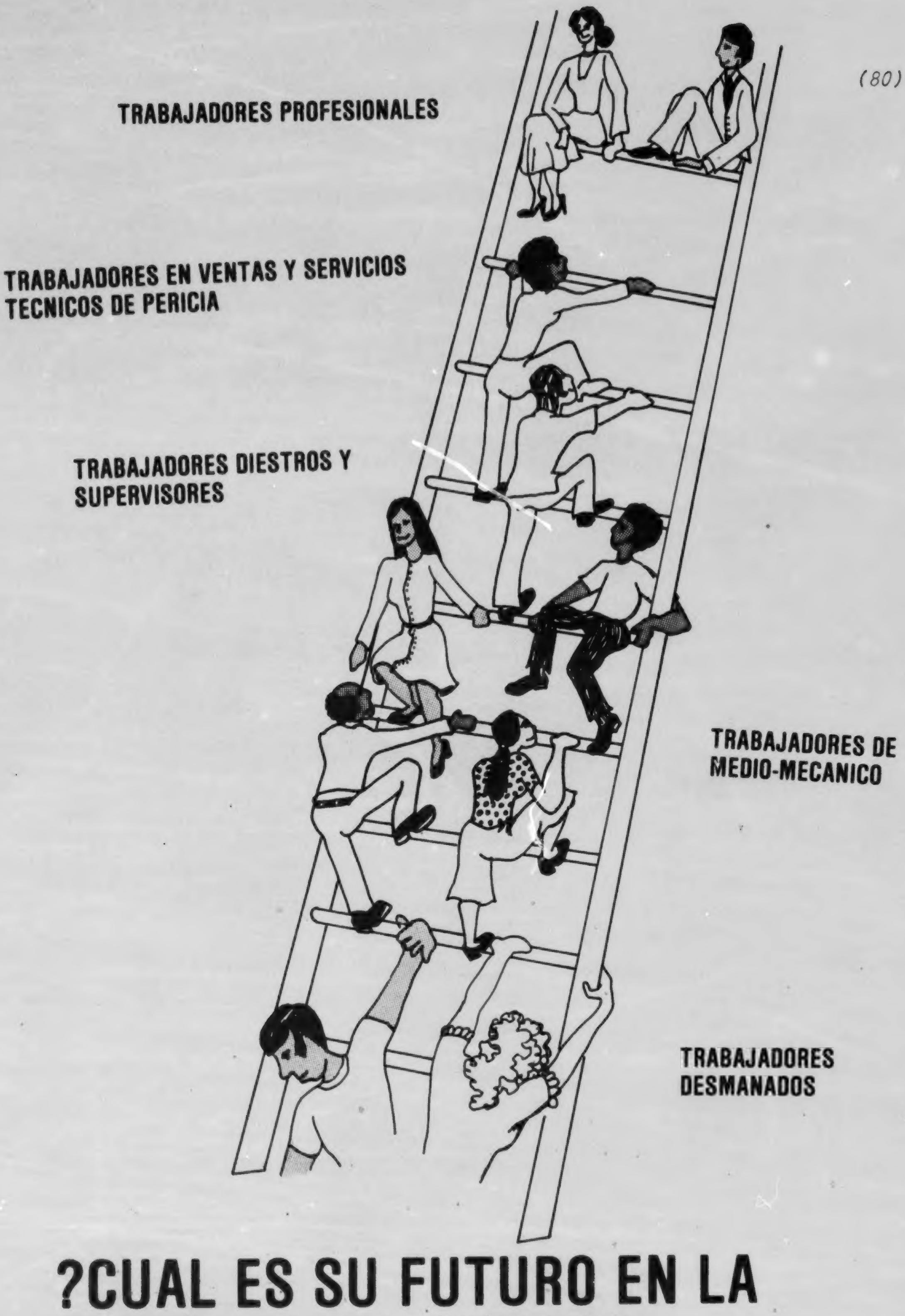
3. El resultado de cada posibilidad podría haber sido:

4. La decisión que hice fue:

   La razón por la cual hice mi decisión:

5. Puedo aceptar los resultados de mi decisión porque:

6. Los recursos que usé para hacer la decisión fueron:


TRABAJADORES PROFESIONALES
TRABAJADORES EN VENTAS Y SERVICIOS TECNICOS DE PERICIA
TRABAJADORES DIESTROS Y SUPERVISORES
TRABAJADORES DE MEDIO-MECANICO
TRABAJADORES DESMANADOS

?CUAL ES SU FUTURO EN LA ESCALERA DE EMPLEO?

RESUMEN EJEMPLAR
(Hoja para repartir)

NOMBRE:
Susana Morales

DIRECCIÓN:
101 Park Drive, Ciudad Grande, Texas 79000

TELÉFONO:
222-2222

PERSONAL:
Fecha de Nacimiento: 29 de febrero, 1950
Salud: Excelente

EDUCACIÓN:
Somewhere High School, escuela secundaria, May 24, 1968.
HONORES Y REALIZACIONES:
Reporter, de la clase Senior.
Estudiante de honor, con notas de "B," en el décimo año.
Jugadora de básquetbol, duodécimo año.

HABILIDADES:
Hablar y leer español e inglés.
Tejer
Manejar un carro.

EXPERIENCIA DE TRABAJO:
Tutor en español, 1 año.
Cuidar niños, 1 año.
Envolver paquetes, 2 años.

PASATIEMPOS, CLUBES, INTERESES:
Tejer
Jog
Nadar
Canto en la iglesia

REFERENCIAS:
Mr. Cass Jones, 112 Secon Street, Somewhere, Texas 79000 (Maestro de deportes en la escuela secundaria)
Ms. Mary Moor, 320 South Drive, Sunset, Texas 79002 (Gerente de Jay's Department Store)
Ms. Sally Roe, Route 5, Somewhere, Texas 79000 (Vendedora de seguros)

EMPLEO DESEADO:
Vendedora
Recepcionista
Envolver Paquetes

EJEMPLO DE UNA SOLICITUD PARA EMPLEO
(Hoja para Repartir)

JOYERÍA BEARD
222 Hand Street
Anywhere, Texas 10000

NOMBRE ____
Apellido Primer Nombre

DIRECCIÓN ____
Número Calle Apartmento

____
cuidad condado estado zip

Número de teléfono ____________ No. de emergencia ____________

No. de Seguro Social ____________ ________Hombre ________Mujer

Nombre de los padres ____

Escuelas donde estudió ____

Materia Estudiada ____

Contesten *sí* o *no* al siguiente: Cuidadano de los USA ____________
Veterano ____________ ¿Ha estado en el hospital? ____________
¿Por qué ____
¿Cuándo? ____________ Nombre del doctor ____________

Número de dependientes ____

REFERENCIAS:

*Empleo Previo: Ponga primero su ú*ltimo jefe.

Nombre del jefe ____________ Dirección ____________
No. de Teléfono ____________ ¿Cuál Era Su Trabajo? ____________
¿Por qué se retiró? ____

Nombre del jefe ____________ Dirección ____________
No. de Teléfono ____________ ¿Cuál Era Su Trabajo? ____________
¿Por qué se retiró? ____

Nombre del jefe ____________ Dirección ____________
*No. de Telé*fono ____________ ¿Cuál Era Su Trabajo? ____________
¿Por qué se retiró ____

Fecha: ____________ Firma ____________

¿DIJE YO ALGO MALO?
(Situación)

CARACTERES: Sra. Gómez—Entrevistadora en una tienda grande de una cuidad en Texas.

Sonny Rhodes—Busca empleo y vive cerca de la tienda.

Sonny mira su reloj y entra rápidamente en la oficina de la entrevistadora. Su camisa se rasca en la puerta al entrar.

Sonny: ¡Ay Dios! Desculpe la demora, tuve que dejar a mi mamá fuera de la tienda. Ella vino para que no me pusiera nervioso. (Se sienta en una silla cerca de la Sra. Gómez) No puedo creer que se me la camisa. Ni modo, ya tenía unos agujeros debajo del brazo.

Sra Gómez: Buenos días. Ud. debe ser el Sr. Rhodes. Yo soy la Sra. Gómez. ¿Ud. quiere ser vendedor o quiere envolver regalos?

Sonny: Caray, me dijeron que había trabajo aquí, entonces vine volando Aceptaría cualquier trabajo. Puedo hacer de todo. (Se cae pesadamente en la silla.)

Sra. Gómez: Tiene que saber cómo envolver regalos. ¿Ha tenido experiencia previa?

Sonny: Creo que no. ¿Cómo puede uno conseguir un trabajo si siempre exigen experiencia previa? En cada tienda donde hago una solicitud me hacen la misma pregunta. Eso me enoja. ¿Había tenido experiencia antes de conseguir el trabajo suyo?

Sra. Gómez: (Asustada) Lo siento mucho. Dígame algo de su educación. ¿Ha tenido cursos en cómo vender o cómo trabajar con el público? ¿Sabe combinar colores u operar máquinas?

Sonny: Simón. Espérese, déjeme tomar un cigarro. (Pone un cigarro en la boca.) Dios, olvidé mis mechas. Tomé todos esos cursos, y creo que saqué "A".

Sra. Gómez: Gracias por su visita. Le avisaremos del trabajo dentro de dos o tres días.

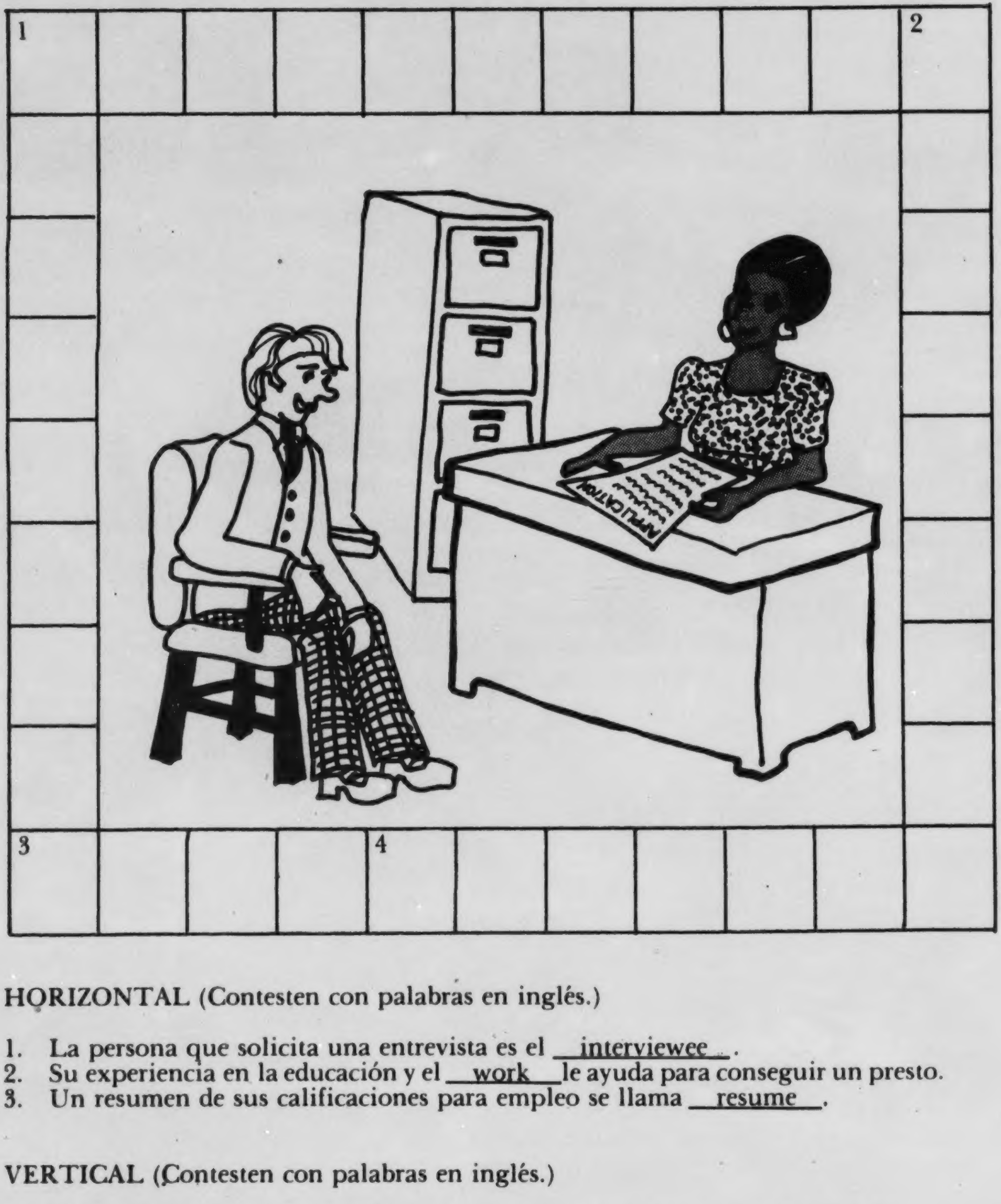
Sonny: Bueno. Le llamaré mañana para ver si lo tengo. ¿Ud. cree que lo tengo?

Sra. Gómez: Le avisaremos lo más pronto posible. Gracias.

Sonny: Adios. (Extiende su mano) Oh, mejor no tomar la mano. Las mías están sucias porque estaba trabajando en mi motocicleta. Hasta luego.

SOLICITUD PARA EMPLEO—CRUCIGRAMAS

(90)



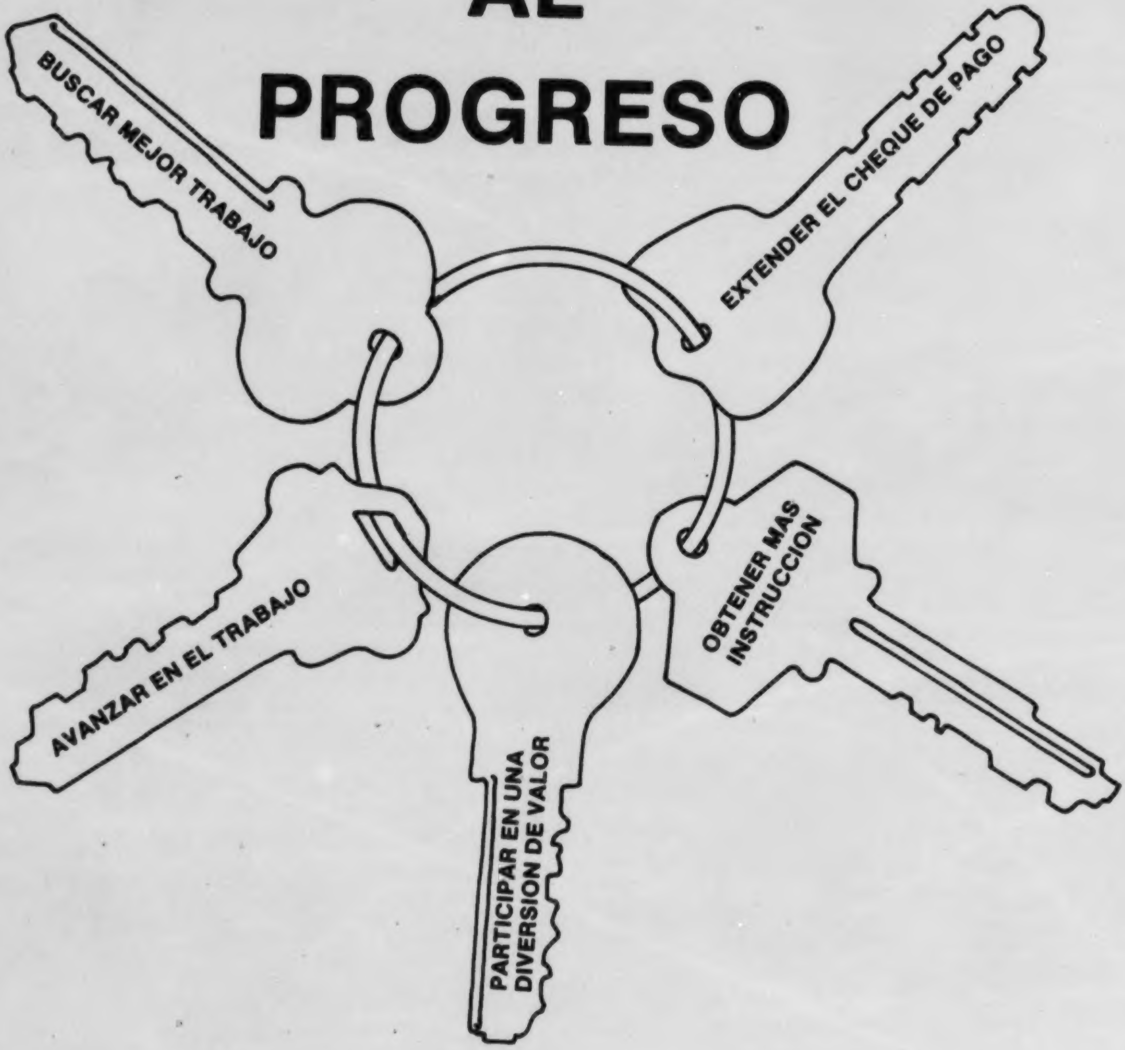
HORIZONTAL (Contesten con palabras en inglés.)

1. La persona que solicita una entrevista es el interviewee.
2. Su experiencia en la educación y el work le ayuda para conseguir un presto.
3. Un resumen de sus calificaciones para empleo se llama resume.

VERTICAL (Contesten con palabras en inglés.)

1. La conferencia entre un patrón y una persona que busca empleo se llama interview.
2. El plural de la palabra en inglés que significa "empleado," employers.

CLAVES
AL
PROGRESO


BUSCAR MEJOR TRABAJO
EXTENDER EL CHEQUE DE PAGO
AVANZAR EN EL TRABAJO
PARTICIPAR EN UNA DIVERSION DE VALOR
OBTENER MAS INSTRUCCION

INGRESOS Y GASTOS DE NUESTRA FAMILIA PARA EL MES DE________

FECHA	INGRESOS	COMIDA	ROPA Y LAVANDERIA	CASA (RENTA)	GASTOS DE VIVIENDA	UTILIDADES (GAS AGUA ETC.)	TRANSPORTACION	PERSONAL	SEGUROS	MEDICINA	EDUCACION	RECREO	CONTRIBUCIONES REGALOS	PAGOS A PLAZOS	AHORROS
1.															
2.															
3.															
4.															
5.															
6.															
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8.															
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22.															
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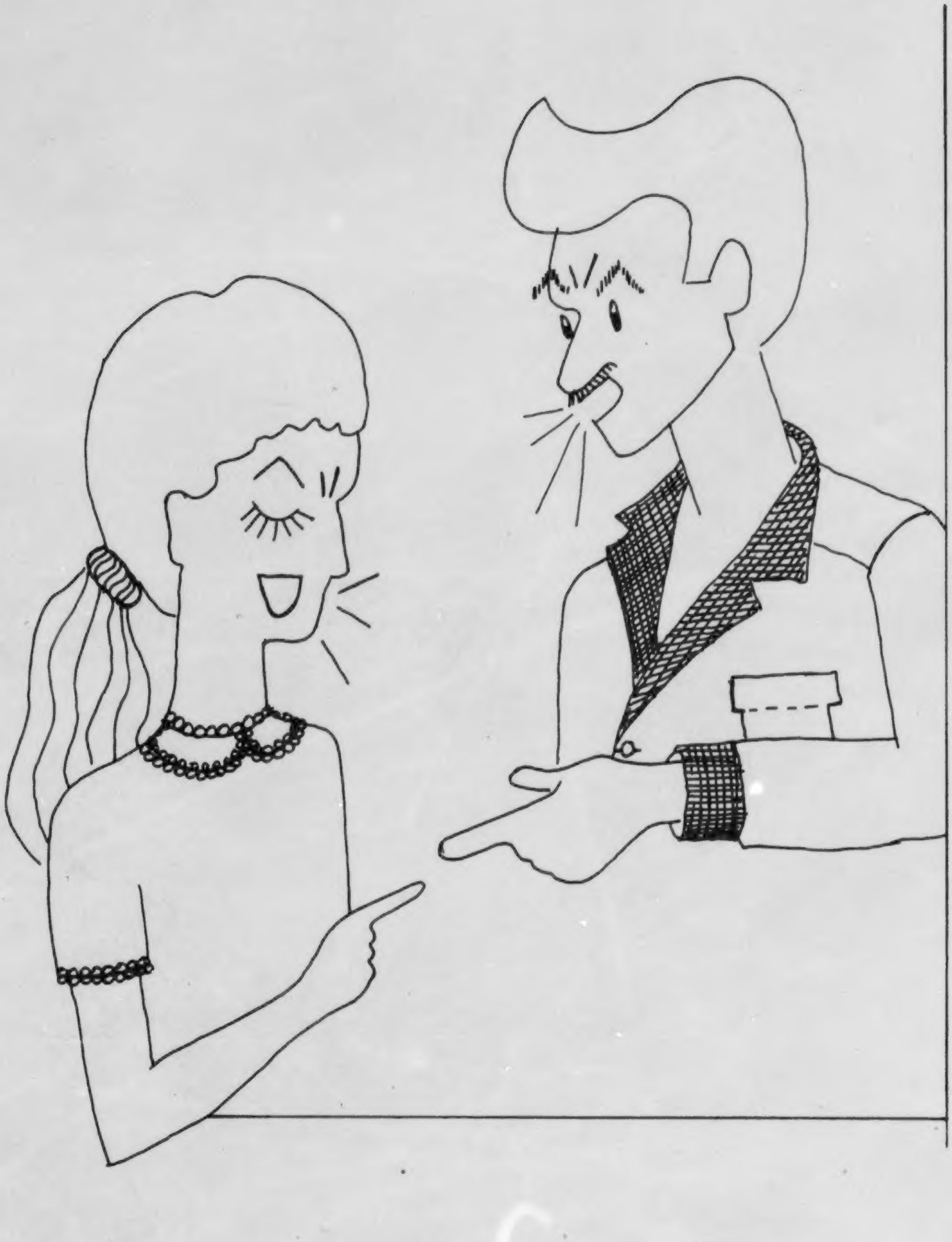
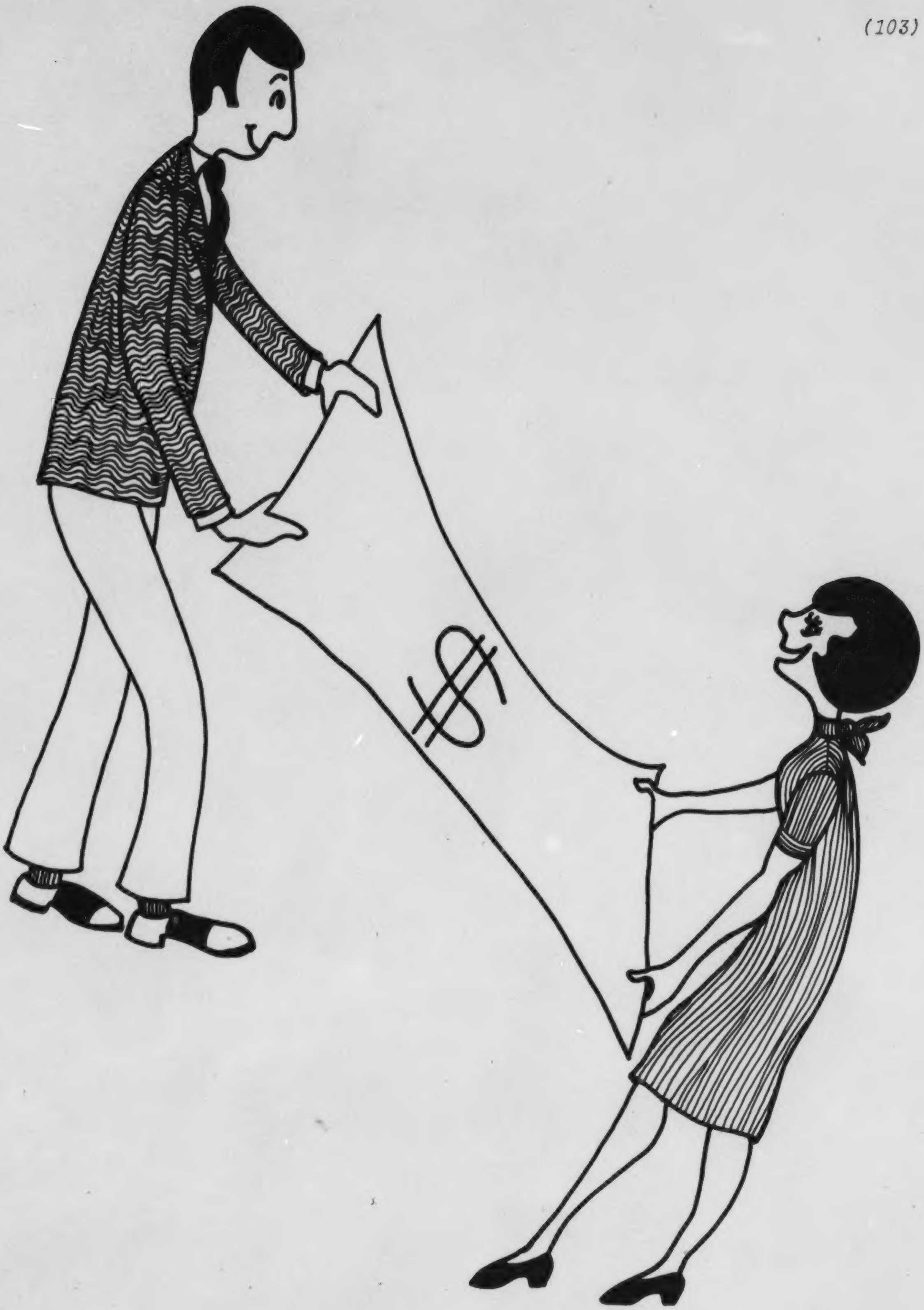
24.															
25.															
26.															
27.															
28.															
29.															
30.															
31.															
CANTIDAD GASTADA															
CANTIDAD PROYECTADA															





PLANEAR
(Hoja a Contestar)

(104)

Direcciones: Completen las frases siguientes rápidamente sin cambiar su contestación. No hay contestaciones correctas o incorrectas. Contesten con veracidad.

1. Gasto demasiado tiempo en

2. Me gusta más

3. Cuando estoy triste

4. Cuando estoy contento

5. Quisiera tener

6. Quisiera que mi familia pudiera

7. Tengo planes de

8. Mi recurso más importante es

9. Nunca tengo tiempo para

10. A mi familia le falta

METAS PARA NUESTRA FAMILIA

(105)

Metas (Próximas)	Costo	Metas (En el futuro)	Costo
Total		Total	

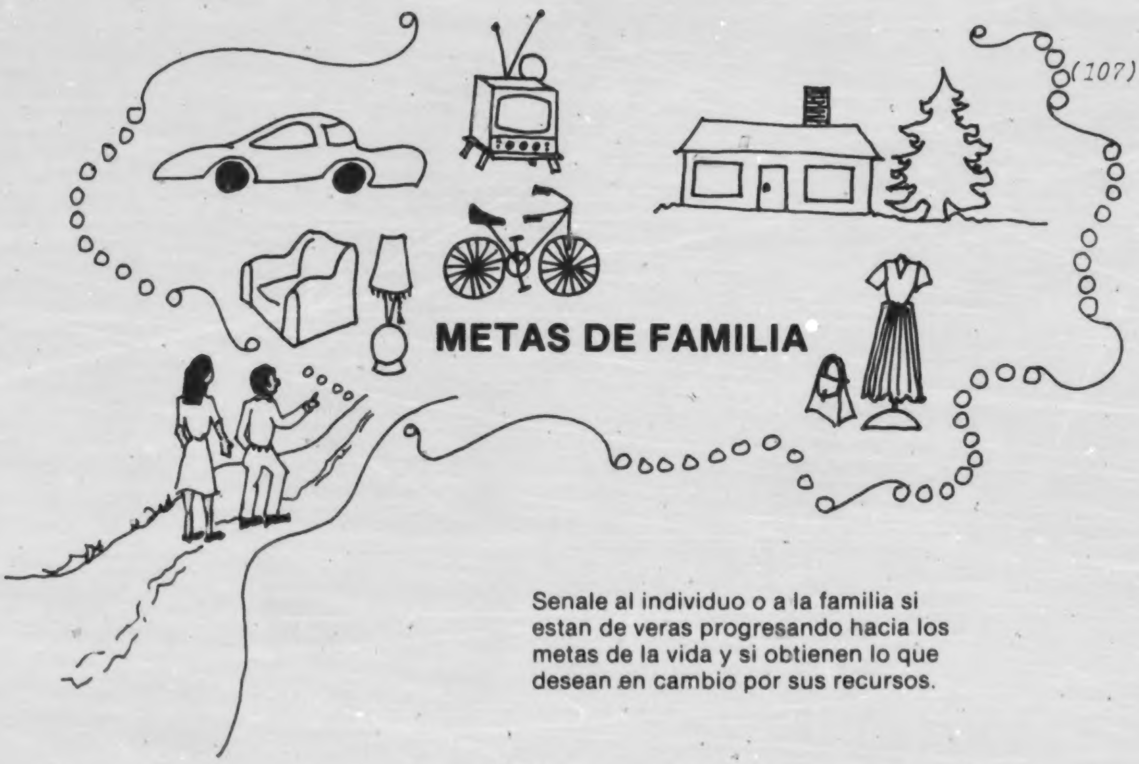
¿CUÁNDO TENEMOS QUE PAGAR LAS CUENTAS?

(106)

Mes ____________________

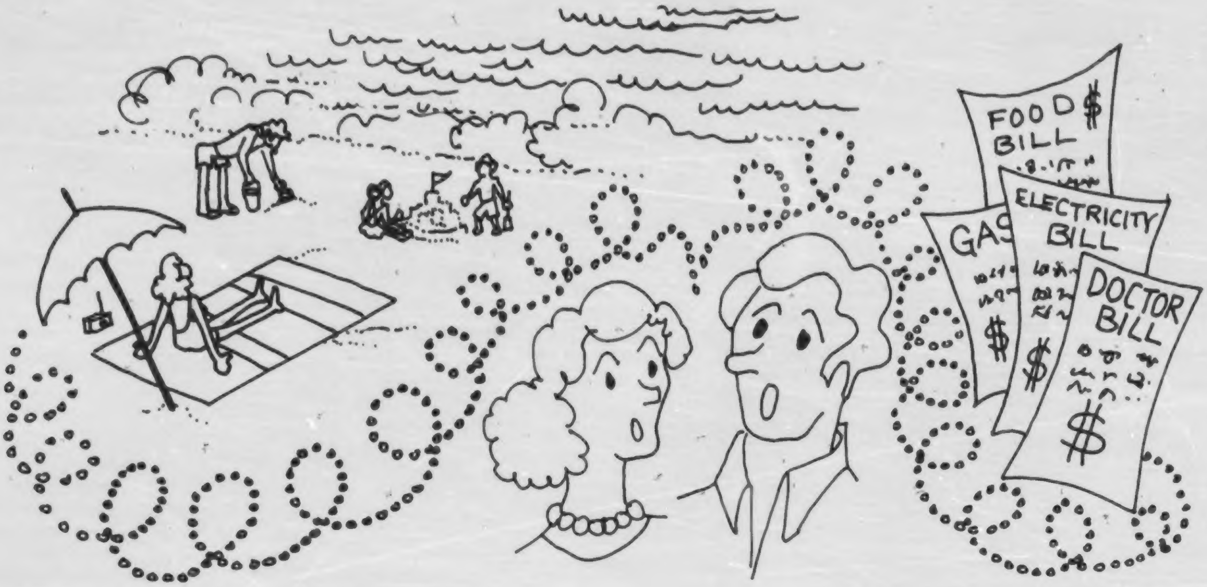
Domingo	Lunes	Martes	Miércoles	Jueves	Viernes	Sábado

(107)



METAS DE FAMILIA

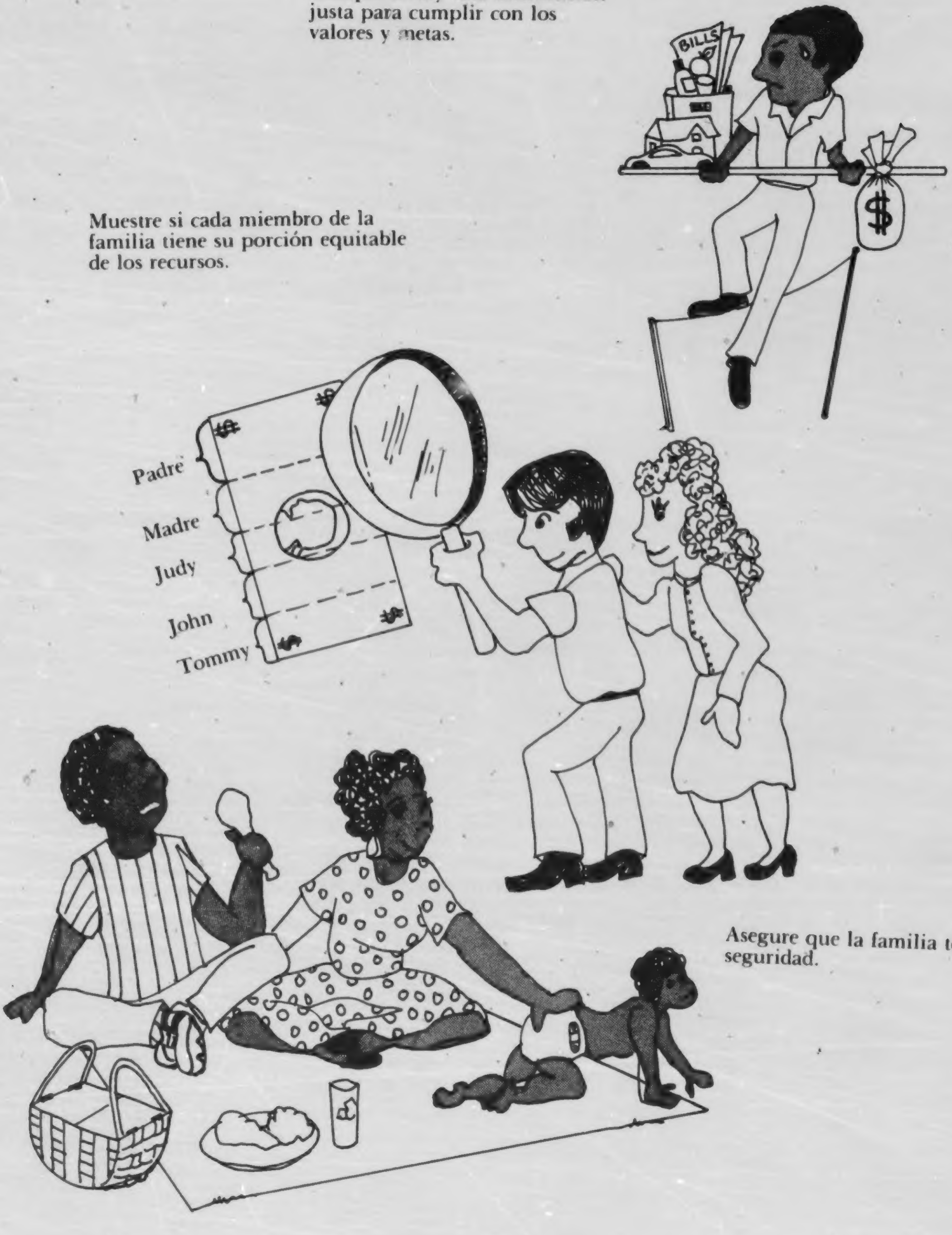
Senale al individuo o a la familia si estan de veras progresando hacia los metas de la vida y si obtienen lo que desean en cambio por sus recursos.


FOOD $ BILL
GAS $
ELECTRICITY BILL $
DOCTOR BILL $

!LO QUE HICIMOS!

!LO QUE DEBIMOS HABER HECHO!

Senale equivocaciones


BILLS
$
$
Padre
Madre
Judy
John
Tommy
$
$

Indique si hay una distribución justa para cumplir con los valores y metas.

Muestre si cada miembro de la familia tiene su porción equitable de los recursos.

Asegure que la familia tenga seguridad.

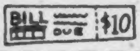
¿QUÉ SON NUESTROS INGRESOS?

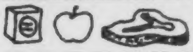
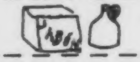
(109)

Fuentes	Cantidad Mensual	Cuando Recibido
Salario Actual Esposo Esposa Hijos		
Seguro Social		
Seguro de Desempleo		
Pago del Welfare		
Ayuda a los Niños Dependientes		
Otro		
TOTAL		

¿CUÁLES SON NUESTROS GASTOS?

(110)

GASTOS FIJOS	Totales
Vivienda (Renta)	
Pagos de Seguros Salud Vida Carro	
Servicios Electricidad Gas Teléfono Agua	
Pagos mensuales 	
Otros	
Total	

GASTOS VARIABLES	
Comida 	
Ropa y Lavandería	
Gastos de casa 	
Gastos médicos (doctor, (dentista, medicina)	
Educación (Provisiones para la escuela)	
Transportación (carra, autobús)	
Recreo (cine, diversión, deportes)	
Contribuciones (iglesia, comunidad y donaciones)	
Personal (corte de pelo, cosméticos, cigarros)	
Total	
Gastos fijos y Variables	

LOS BROWN TIENEN UN PLAN FINANCIERO

(114)

Quiero que conozca a la familia Brown. Son el Sr. y la Sra. Brown y sus dos hijos Mary y John. Estudiaremos los gastos de la familia Brown para enseñarnos a hacer un buen plan financiero. Sus ingresos mensuales son de $575.00.

Aquí están sus gastos:

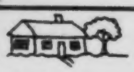
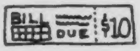
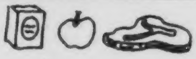
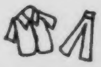
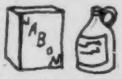
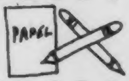
Los Brown pagan $130.00 de renta, $20.00 para seguro de vida y están comprando un abrigo a plazos y una alfombra para la sala. Todo esto cuesta $40.00 al mes. La electricidad cuesta $30.00, el gas $14.00 y el agua $5.00.

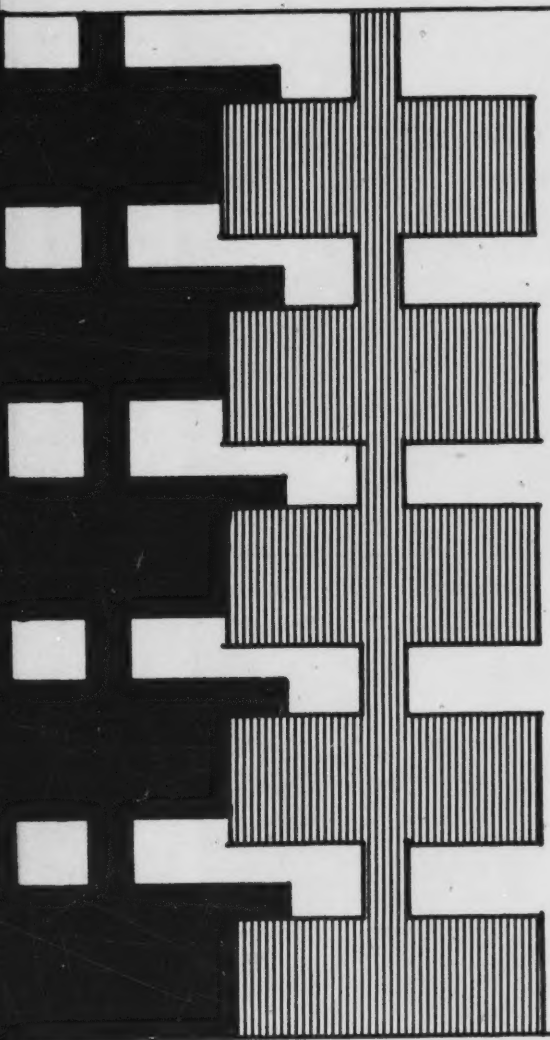
El mes pasado gastaron $175.00 para comida, $25.00 para el dentista, $35.00 para un vestido para Mary, $6.00 para la lavandería, $2.00 para un cuaderno para John, $22.00 para el autobús (Sr. y Sra. Brown tienen que ir al trabajo y los hijos a la escuela), $12.00 para boletos del cine, $25.00 para gastos de casa, $30.00 para la iglesia, $20.00 para cigarros, lápiz para labios y champú. Gastaron $36.00 más de lo que tenían y el Sr. Brown pidió prestado de un amigo. Dijo que le pagaría dentro de dos meses.

Los Brown están en el proceso de cumplir con dos de sus metas—el abrigo y la alfombra. Este es el último pago para el abrigo. El próximo mes, los Brown tendrán los $20.00 que habían pagado para el abrigo para pagar al amigo. Otra meta es llevar a Mary al dentista para una examinación dentro de dos meses y comprar un regalo de cumpleaños para John el mes que entra.

EJEMPLO DE UN PLAN DE GASTOS

Ingresos

Gastos	Cantidad Proyectada	Cantidad Gastada
Vivienda (Renta) 		
Seguros Salud Vida Carro		
Servicios Electricidad Gas Teléfono Agua		
Pagos a plazos 		
Otro		
Comida 		
Ropa y lavandería 		
Gastos de vivienda 		
Gastos médicos		
Educación (Necesidades para la escuela) 		
Transportación (coche, autobús)		
Recreo		
Contribuciones, regalos		
Cuído personal		
Gastos totales		
Ingresos totales		



ARCHIVO DE FAMILIA

REGISTRO DE INGRESO Y GASTO

PRUEBAS DE POSESIÓN

PRUEBAS DE DEUDA
Y CANCELACIÓN DE ELLA

TODAS LAS PÓLIZAS DE SEGURO

OTROS ARTÍCULOS IMPORTANTES

540

¿DÓNDE ESTÁ?

Todo en la casa de los Jones está en confusión. Ralph Jones no puede hallar su formulario W-2 que recibió por correo hace unas semanas. Necesita este formulario antes de que pueda completar su "income tax." Jimmy registra los cestos en una búsqueda inútil del formulario. —Yo sé que lo dejé aquí en el escritorio, declara el Sr. Jones.
—¿Por qué no buscas en los cajones? sugiere la Sra. Jones mientras busca entre las cosas en la mesa.

—Lynn, grita la sra. Jones. —Ven a ayudarnos. Tenemos que hallar el formulario W-2 de tu padre.

—¿Cómo es?

—Está dentro de un pequeño sobre blanco, contesta el Sr. Jones.

—Pues, hallé la cuenta del banco del octubre pasado, dice la Sra. Jones. ¿por qué estaba allí?

—¿Es ésta? pregunta Jimmy.

—A ver, dice el Sr. Jones. —No, no es, pero es la póliza de los seguros del carro. Debo guardarla en un lugar seguro.

—Y aquí está tu tarjeta de Seguro Social dentro de un libro, Ralph, dice la Sra. Jones. —¿Cómo es que tenemos cosas regadas por toda la casa?

CUIDANDO SUS NEGOCIOS

Es importante guardar los documentos de la familia en un lugar seguro. Si los documentos están perdidos o no es fácil hallarlos, resulta muy difícil hacer planes. Entonces, piense hoy de un buen lugar para sus documentos.

Hay varios lugares donde se puede guardar documentos. Se puede usar un escritorio, una mesa o una silla. El escritorio puede ser un escritorio ordinario o uno construído de planchas o cualquier material. Es posible que Ud. escojá una caja para guardar sus documentos. Debe llamar este lugar su centro de negocios

Trate deponer el centro de negocios donde hay buena luz para trabajar día y noche. Debe tener lápices, plumas y tinta, papel, gomas, un libro de direcciones y otras provisiones que necesitariá. Debe poner sus cheques aquí y los documentos para su "income tax."

Tener un buen lugar para hacer planes, guardar documentos, escribir cartas y guardar otros papeles importantes, le ahorrará tiempo y le ayudará a su familia a tener una vida más feliz.

Algunas Ideas para su Centro de Negocios

1) Un Archivo hecho en casa. Emplee una caja de cartón. Ud. puede cubrirla con papel o tela. Puede hacer divisiones con otros pedazos de cartón, y puede cubrir estos también.

2) Caja para Cartas. No olvidará pagar sus cuentas si las pone en una caja especial. Se puede usar una caja de cartón para queso cubierta con papel o tela.

3) Archivo de Recibos. Aquí puede guardar sus recibos para saber lo que ha pagado. Los recibos son importantes también cuando paga sus impuestos. Así, puede hacer fácilmente la lista de sus deducciones.

4) Papel para Notas. El papel para hacer notas no cuesta mucho. Este es muy importante para recordar cosas.

5) Cajas pequeñas. Estas se usan para guardar gomas, sujeta papeles, etc. Se puede usar cajas de margarina, botes chicos, jarras de comida para niños. Ponga una etiqueta que indica lo que contienen.

6) Archivo con papeles de valor. Se puede guardar los papeles de valor en sobres baratos, en una carpeta vieja cerrada con hilo para que los papeles no se pierdan. Ponga una etiqueta en cada sobre o carpeta.

7) Cesto. Se puede hacer un cesto de una caja vieja. Si quiere, puede pintarla.

MÉTODOS PARA GUARDAR DOCUMENTOS
(Hoja para repartir)

(125)

UN BUEN SISTEMA PARA GUARDAR DOCUMENTOS DEBE . . .

1) NECESITAR MENOS DE 5 MINUTOS AL DÍA Y UN POCO MÁS UNA VEZ AL MES.

2) MOSTRAR INGRESOS Y GASTOS.

3) MOSTRAR LAS DIVISIONES DE SUS GASTOS ENTRE COSAS COMO COMIDA, VIVIENDA Y ROPA.

4) MOSTRAR CUANTO GASTA CADA MIEMBRO DE LA FAMILIA.

5) MOSTRAR LA FECHA DE COMPRA DE COSAS IMPORTANTES.

6) MOSTRAR EL PAGO TOTAL DE COMIDA, VIVIENDA, ROPA, ETC.

7) SUBSTRAER LA CANTIDAD DE LOS GASTOS DE LOS INGRESOS DEL MES.

EL SISTEMA DE LOS MCDONALD

(126)

DIRECCIONES: Dé a cada miembro de la familia 13 sobres con las etiquetas siguientes:

Comida
Renta
Provisiones Caseras
Transportación
Ropa
Personal

Cuidado Médico y Dental
Recreo
Ahorros
Educación
Servicios
Iglesia y Donaciones
Pagos a Plazos

Los participantes deben recibir también una copia de Los Ingresos y Gastos de Nuestra Familia (pág.   ).

Necesitará el dinero falso que usan los niños en sus juegos para llenar los sobres para "pagar cuentas" mientras que la maestra lee la historia (pág.   ).

Dé $34.00 al padre, $34.00 a la madre, $8.00 a Charles y $6.00 a Jim.

EL SISTEMA DE LOS MCDONALD

Ud. arregla el dinero de la familia McDonald para el mes de marzo. Ponga el mes y el año en el espacio apropiado de su hoja.

La familia McDonald consiste en el Sr. y la Sra. McDonald con sus tres hijos, Charles, Jim y Susan.

Los McDonald ganan $75.00 por semana. El patrón dijo al Sr. McDonald que realmente gana $100.00 por semana pero después de los impuestos, del Seguro Social y las demás deducciones, lleva a casa solamente $75.00. Le pagan cada jueves. Los ingresos totales de los McDonald son $600.00. Esto incluye el salario de la Sra. McDonald. Ella gana $65.00 por semana. Charles y Jim dan $10.00 por semana del dinero que ellos ganan.

Las metas de los McDonald para marzo son:

Pagar el abrigo de Charles.
Ahorrar $24.00 para una lavadora
No gastar más de sus ingresos
Comprar un regalo para el cumpleaños de Susan

Los McDonald emplean el sistema de los sobres para dividir sus ingresos en partes distintas. Han planeado las cantidades siguientes para cada gasto. La cantidad de cada gasto se ve al pié de la hoja con las palabras "Cantidad Planeada." Estos serán los gastos de los McDonald:

$250	Comida
36	Ropa y lavandería
150	Renta mensual
30	Servicios
38	Transportación
8	Provisiones de casa
8	Personal
22	Cuidado médico y dental
10	Educación
10	Iglesia y regalos
	Pagos a plazos
24	Ahorros
4	Recreo
$600	Gastos totales proyectados

En cada sobre han escrito la cantidad que tienen que pagar cada semana. Han determinado estas cantidades dividiendo la cantidad mensual por cuatro (el número de semanas en un mes).

$62.50	Comida	5.50	Cuidado médico y dental
9.00	Ropa	1.00	Recreo
37.50	Renta	2.50	Educación
7.50	Servicios	2.50	Iglesia y donaciones
9.50	Transportación	2.50	Pagos a plazos
2.00	Gastos de casa	6.00	Ahorros
2.00	Cuidado personal	$150.00	

El Sr. McDonald recibió su cheque el martes, el 3 de marzo. Sr. Brown, el patrón de la Sra. McDonald le paga a ella los $65 el mismo día por el trabajo hecho la semana previa. (128)

Divida el cheque del Sr. McDonald de $75.00 y los $65 de la Sra. McDonald y ponga el dinero marcado en los sobres. Juntos tienen $140. Ponga esta cantidad en su hoja.

$48.50	Comida
9.00	Ropa
37.50	Renta
7.50	Servicios
9.50	Transportación
2.00	Provisiones de casa
2.00	Cuidado personal
2.50	Educación
2.50	Iglesia y Donaciones
2.50	Pagos a plazos
5.00	Recreo
6.00	Ahorros
5.50	Cuidado médico y dental.
$140.00	

La "Comida" necesita 14 dólares más. Los demás miembros de la familia pondrán su dinero en este sobre.

El 6 de marzo, Charles recibe el pago de su trabajo vendiendo periódicos. Ponga esta cantidad en su hoja de ingresos y agrege esto al sobre de "Comida."

$8.00 Comida

El sábado Jim recibe su pago para el trabajo en el supermercado. Contribuye $6 a los ingresos de la familia. Escriba esto bajo ingresos en su hoja y ponga el dinero en el sobre para comida.

$6.00 Comida

El sábado por la tarde los McDonald echaron gasolina en su carro viejo. Costó $7. Escriba esto en su hoja y quite el dinero del sobre de transportación. Entonces, los McDonald fueron al supermercado. Gastaron $60 en abarrotes. Quite $60 del sobre de comida y escriba esta cantidad en la hoja. Susan necesita papel y lápices, Jim necesita papel de carpeta y Charles papel para dibujar. Esto costó $1.50 para educación. La madre compró jabón a $2.00. Esto viene de las provisiones de casa. También la familia compró pasta dental por $1.50. La pasta dental va bajo cuidado personal. La madre compró una blusa en venta por $4.00. Ponga esto bajo ropa.

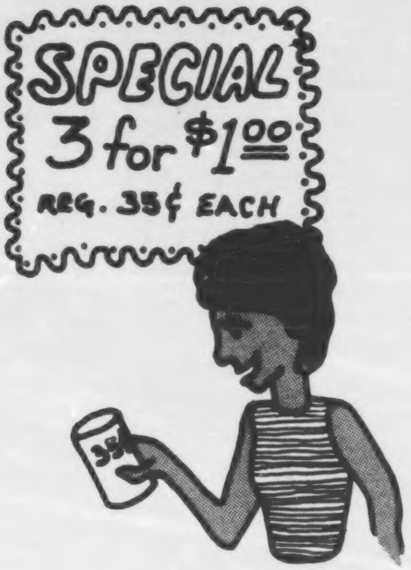
El domingo, la familia fue a la iglesia. Dieron $1.00 a la iglesia.

Veamos lo que pasa en un solo sobre durante el mes. El 10 de marzo le pagan al padre otra vez. Divide su cheque como hizo el mes pasado. Veamos lo que pasa en el sobre de la renta.

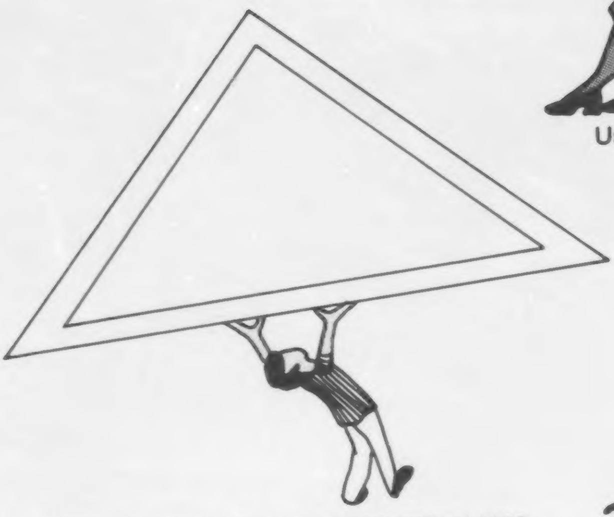
La semana pasada puso $37.50 en este sobre. Tiene que pagar la renta a fines del mes, entonces, no gastó nada de este sobre. Esta semana agregamos $37.50 al sobre. Ahora hay $75. Si los McDonald ponen $37.50 en el sobre durante las próximas dos semanas, ¿cuánto dinero tendrán a fines del mes? $150. ¿Cuánto dinero tendrán después de pagar la renta? $0. (129)

Ya han visto los gastos de los McDonald durante el resto del mes. Sume cada columna para ver cuanto se gastó en cada división. ¿Han cumplido los McDonald con su deseo de gastar menos de lo que ganan?

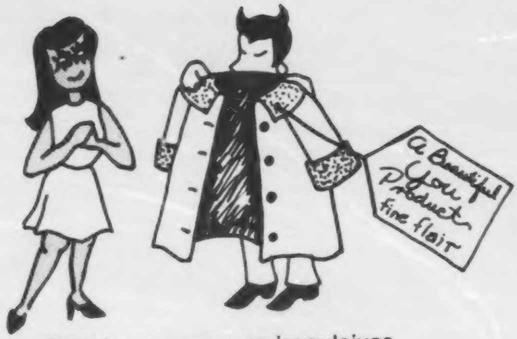
¿Hubo bastante dinero para pagar los servicios a fines del mes? ¿Han cumplido los McDonald con sus metas? ¿Pagaron el abrigo de Charles? ¿Compraron un regalo para Susan? ¿Agregaron $24.00 a sus ahorros? (A fines de cada mes los McDonald tendrán bastante dinero para pagar los servicios, comprar un regalo para Susan, pagar los $10 finales del abrigo de Charles (pagando a plazos hace cuatro meses, pero no podrán agregar $24.00 a sus ahorros en el banco.) En general, ¿tienen los McDonald un plan adecuado? (Sí) ¿Fue flexible? (Sí)


SPECIAL
3 for $1.00
REG. 35¢ EACH
35¢

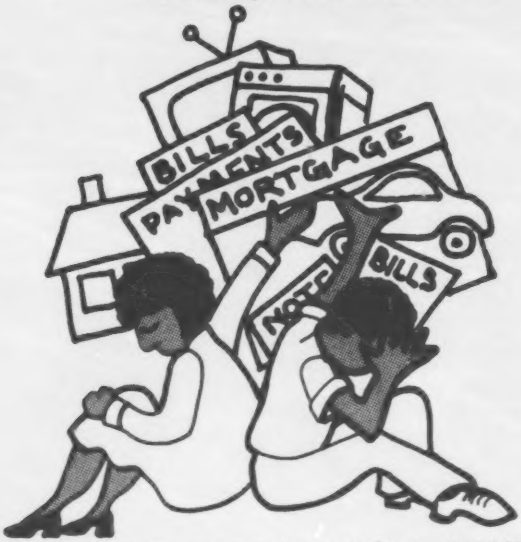
Desarrolle destreza en comprar.



Aprenda a usar otros recursos que no sean monetarios.


A Beautiful You Product fine flair

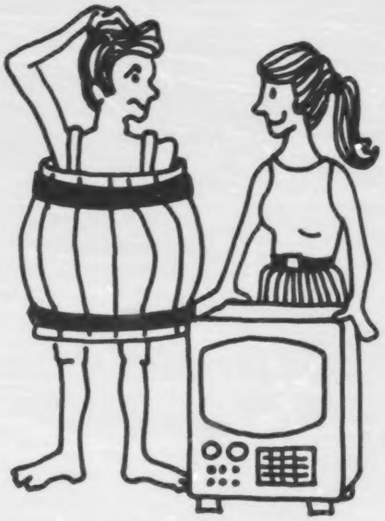
Disminuya compras impulsivas.


BILLS
PAYMENTS
MORTGAGE
NOTES
BILLS

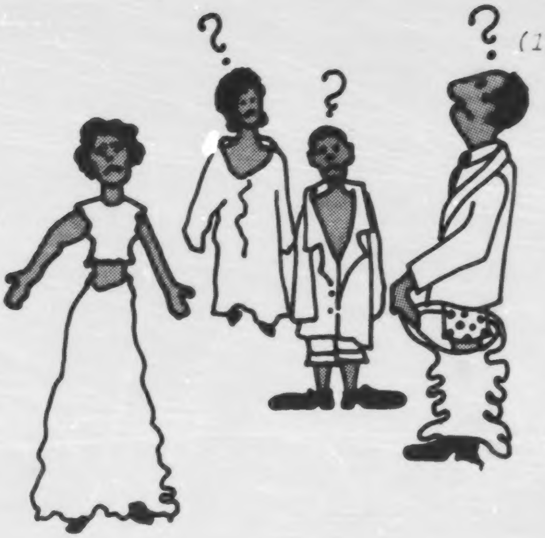
Use crédito solamente cuando es necesario.

Cuide los bienes que Ud. posee.

(136)

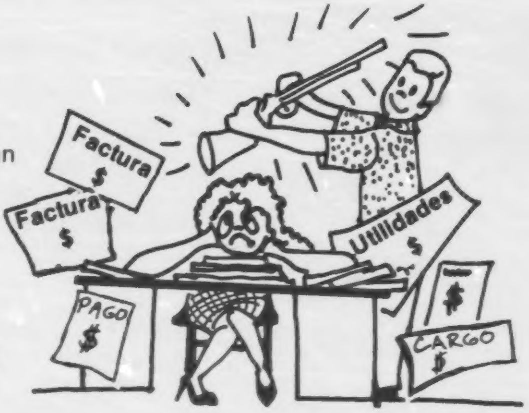


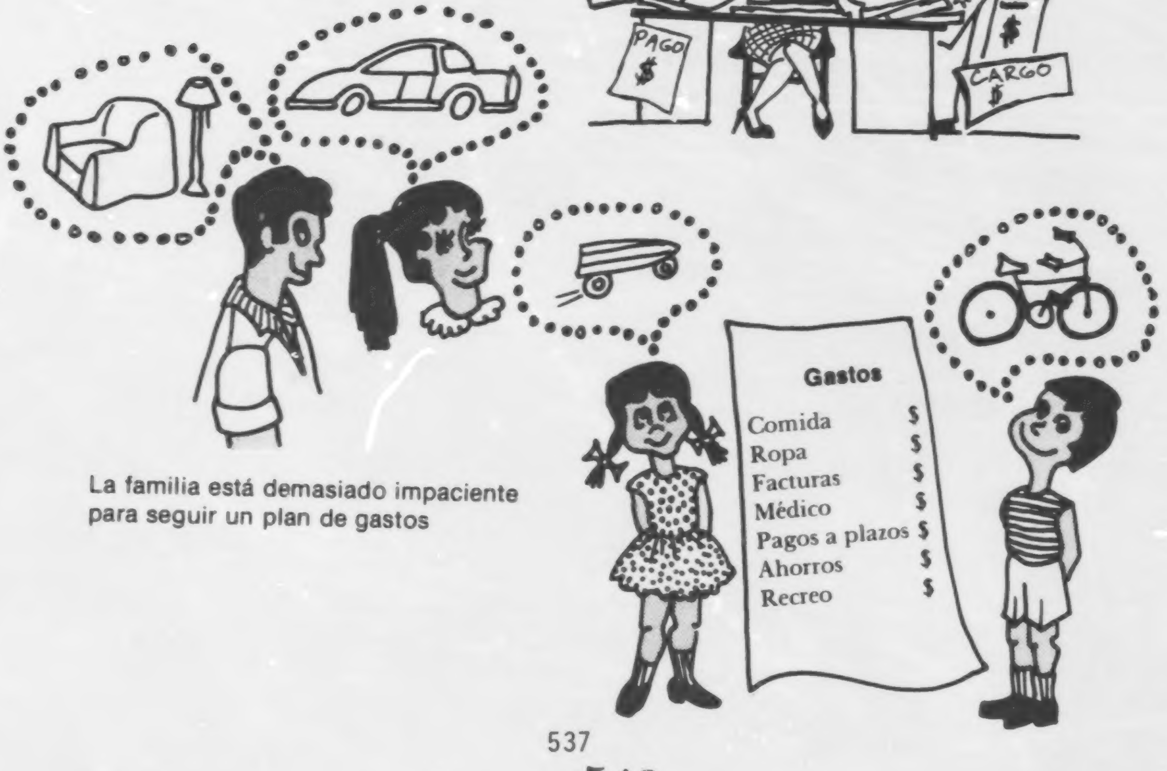
No han previsto las necesidades de la familia



Su familia trata de utilizar el plan de gastos de otra familia.

Los miembros de la familia gastan primero y piensan después.


Factura
$
Factura
$
Utilidades
$
PAGO
$
$
CARGO
$


Gastos
Comida $
Ropa $
Facturas $
Médico $
Pagos a plazos $
Ahorros $
Recreo $

La familia está demasiado impaciente para seguir un plan de gastos

LOS PROBLEMAS FINANCIEROS DE CUATRO FAMILIAS

1. La Sra. Jones ha hallado un swéater en venta que sería perfecto para Jean en la escuela. El swéater es mejor de lo que podría comprar en otras circunstancias. Había planeado comprar zapatos para Jon este mes y un swéater para Jean el mes que entra. La familia no puede comprar las dos cosas. ¿Qué deben hacer los Jones?

2. La familia Williams tiene un problema. La Sra. Williams necesita una operación, pero la familia tiene muy pocos ahorros. Tienen que pagar a plazos muchas cosas—muebles, la máquina para lavar, refrigerador. Si Ud. tuviera que aconsejar a los Williams ¿Qué les aconsejaría sobre sus gastos presentes? ¿Qué deben hacer en casos de emergencia?

3. La Sra. Wilson halló un plan financiero en una revista. Decidió usarlo en la familia. El plan es para cuatro personas. La familia Wilson tiene seis miembros. ¿Cree Ud. que este plan será bueno para los Wilson? ¿Por qué? o ¿por qué no?

4. La Sra. Johnson ha recibido un ascenso. Va a tener $40 más cada mes. Para celebrar, va a la tienda y compra un estereo para el carro de la familia. Sin embargo, no dirá nada a su marido acerca del estereo por el momento. De todos modos, el estéreo no estará listo por algunos días. Proclama el ascenso cuando llega a casa. El Sr. Johnson sugiere que todos salgan para cenar e ir al cine.

   El próximo día Tommy gasta su dinero en sodas y dulces, pensando que tendrá más dinero gracias al ascenso de su madre. El mismo día Leslie compra un vestido de $40, creyendo que va a pagarse con el ascenso. Los Johnson han gastado $150 en los tres días después del ascenso. ¿Qué errores han cometido los Johnson?

LA COMUNICACIÓN ES IMPORTANTE

(Estudio de Casos)

EL SR. Y LA SRA. MURPHY HAN DECIDIDO SEGUIR UN PLAN FINANCIERO. DECIDIERON LO QUE PAGARÁN EN CADA INSTANTE. DEJARON $40 PARA ROPA CADA MES. LA SRA. MURPHY COMPRÓ UN VESTIDO NUEVO A $40. EL SR. MURPHY SE ENOJÓ PORQUE DIJO QUE ÉL NECESITA ROPA NUEVA. LA SRA. MURPHY DIJO QUE NO SABÍA ESTO. LOS MURPHY GASTAN $175 AL MES PARA COMIDA. SIGUIERON EL PLAN, PERO UN DÍA EL SR. MURPHY INVITÓ A CUATRO PERSONAS A CENAR. LOS MURPHY NO SABÍAN QUE HACER. NO TUVIERON BASTANTE COMIDA PARA LOS INVITADOS Y GASTARON TODO EL DINERO DE LA SEMANA.

UN CAMBIO DE PLANES
(Estudio de Casos)

MANUEL Y SARA GONZÁLEZ SE CASARON HACE UN AÑO. TIENEN LA MAYOR PARTE DE LO QUE NECESITAN, PERO LES GUSTARÍA COMPRAR UN REFRIGERADOR. SU MODELO VIEJO NO FUNCIONA BIEN. HAN AHORRADO $60 CADA MES PARA EL REFRIGERADOR DURANTE TRES MESES. DE REPENTE, SARA APRENDE QUE VA A TENER UN BEBÉ. LOS GONZÁLEZ PENSABAN QUE IBAN A TENER BASTANTE DINERO PARA EL REFRIGERADOR EN CUATRO MESES. AHORA VAN A TENER QUE PAGAR AL MÉDICO DURANTE ESE TIEMPO, Y AHORRAR PARA LA CUENTA DEL HOSPITAL Y LAS NECESIDADES DEL BEBÉ.

EVALÚE LOS RESULTADOS

¿GASTOS NO PENSADOS?

¿PLANES REALIZADOS?

¿MÁS DE LO PLANEADO?

¿GASTO EXCESIVO EN COSAS?

¿PLANES Y ARCHIVOS COTEJADOS?

?CAMBIOS DE PLANES FUTUROS?

¿PLANES REALIZABLES?

¿PLANES FLEXIBLES?

PLANEANDO SUS GASTOS
(Juego)

Introducción al profesor

En este juego usamos 30 tarjetas que tienen frases sobre sus gastos. Se puede jugar este juego antes o después de un examen. Antes de un examen, explique Ud. que el propósito del juego es dejar a los demás estudiantes ayudarle en sus gastos diciendo si están de acuerdo o no con las frases. Si desea utilizar el juego después de un examen también, diga a los estudiantes que están jugando el juego para ver si han cambiado de opinión sobre las frases. Discuta el juego con los estudiantes después de jugarlo.

Construcción de las tarjetas

Se puede usar papel de construcción o papel de reproducción de varios colores. Escriba una frase (pá.) en cada tarjeta de color (de 4" x 6") o cuatro frases en una hoja de reproducción. En tres tarjetas ponga la frase "de acuerdo," "No sé," y "No estoy de acuerdo." Dibuje una caricatura para cada frase (pág.). En otra tarjeta dibuje un buho (tecolote) diciendo "uuuu," y deje espacio para que los estudiantes escriban su nombre.

Arregle las tarjetas en montones con las tarjetas en la misma orden en cada montón. Dé a cada participante un montón con frases, tarjetas de acuerdo o no y una tarjeta con el nombre. Lea las direcciones siguientes o dé a cada participante una copia de las direcciones.

Instrucciones para participantes—Comenzando el juego

Paso 1. Quite los tres sujetapapeles de la tarjeta con el buho (tecolote) y arregle las demás tarjetas.
Escriba su nombre en el espacio dado.
Paso 2. Saque las tres tarjetas siguientes del montón: Ponga las tarjetas en la mesa delante de Ud. en esta orden—"De acuerdo," "No sé," y "No estoy de acuerdo."

Jugando el juego

Ahora estamos listos para el juego. Cada tarjeta en el montón tiene una frase. Para jugar, ponga cada tarjeta debajo de las tres tarjetas en la mesa. Si está de acuerdo con la frase, póngala debajo de la tarjeta "De acuerdo." Si no está de acuerdo, póngala debajo de la tarjeta "No estoy de acuerdo." Si no sabe si está de acuerdo o no, póngala debajo de la tarjeta "No sé." Trate de no poner muchas tarjetas en la sección "no sé."

Yo (su profesor) voy a leer cada frase dos veces. Decida si Ud. está de acuerdo con la frase o no, o si no sabe, y ponga la tarjeta en el montón correcto. Después del juego hablaremos de sus ideas. ¿Está listo? (Leo cada frase despacio mientras Ud. pone las tarjetas en los tres montones.)

Después del juego

(Si se usa después de un examen: ¿Ha cambiado de opinión sobre algunas de las frases? ¿Por qué contestó de una manera diferente?) (143)

Ahora, con sus tarjetas siempre en orden, ponga las tarjetas "De acuerdo," "No estoy de acuerdo," "No sé" arriba de cada montón. Ponga un clip en cada montón y la tarjeta con el buho arriba de todo. Deje las tarjetas en su escritorio al salir (o recógalas)

FRASES EN LAS TARJETAS

Grupo 1

Las families que deciden juntos como gastarán su dinero tienen menos disputas sobre el dinero que las donde cada miembro compra lo que él/ella necesita hasta que se agota el dinero.

Cuando Ud. usa un plan para gastar dinero tiene que contar cada centavo y marcarlo en un librito.

Tratando de planear como gastar su dinero provocará disputas en la familia.

Tener un plan le quita lo divertido en gastar el dinero.

Aprender como utilizar un plan para gastar dinero necesita demasiado tiempo y paciencia.

Hacer y seguir un plan para gastar dinero ayudará a su familia en procurar cosas que necesita como televisores, máquinas de lavar o una casa nueva.

Su familia debe saber lo que desea, (como una lavadora, por ejemplo) antes de decidir como gastar su dinero.

Es más probable que su familia conseguirá lo que necesita (como un televisor, comida o ropa) si todos trabajan juntos en hacer las decisiones de como gastar el dinero.

No se debe incluir a los niños cuando la familia decide como gastar su dinero.

Para tener éxito en su plan financiero, debe saber cuanto dinero su familia gasta mensualmente en cosas como ropa, comida y renta.

Escribir cuanto Ud. gana y cuanto gasta cada mes representa un paso en la decisión de como manejar su dinero.

Una manera para disfrutar más de su tiempo y su dinero es hacer un plan financiero.

Grupo 2

Puesto que todas las familias necesitan comida, ropa y una vivienda, el mismo plan financiero es adecuado para todas.

Para conseguir un buen plan financiero para su familia, basta cortar uno de cualquier periódico. (144)

Un buen plan financiero debe conformar a las necesidades de su familia para comida, ropa, vivienda y otras cosas.

La manera más fácil para aprender como su familia gasta su dinero es escribir cuanto gasta para comprar varias cosas durante un mes.

Es probable que su familia pueda conseguir lo que necesita sin un plan financiero.

Ud. podrá conseguir las cosas que necesita si hace un plan que muestra como gastar su dinero. Además, tiene que seguir su plan.

Hay varias maneras de guardar archivos que indican como gasta su dinero.

Una manera de hacer su plan financiero es dividir su dinero disponible y ponerlo en sobres marcando el uso como comida, ropa, medicina.

Grupo 3

Puede hallar sus papeles importantes cuando los necesite si los guarda en un lugar designado su centro de negocios de la familia.

No es necesario guardar todos sus papeles importantes en un lugar.

A fines del mes debe quemar su archivo.

Sus notas del mes pasado sobre lo que su familia ganó y gastó pueden ayudarle en planear como gastar su dinero el próximo mes.

Si planea como gastar su dinero, podrá decir "no" más facilmente cuando piensa en comprar algo que no necesita.

Cuando compra cosas, debe hacer una lista y usar crédito con cuidado. Así, su plan financiero será un éxito.

Puede comprar las cosas que necesita por menos dinero si compara los precios de los artículos en varias tiendas.

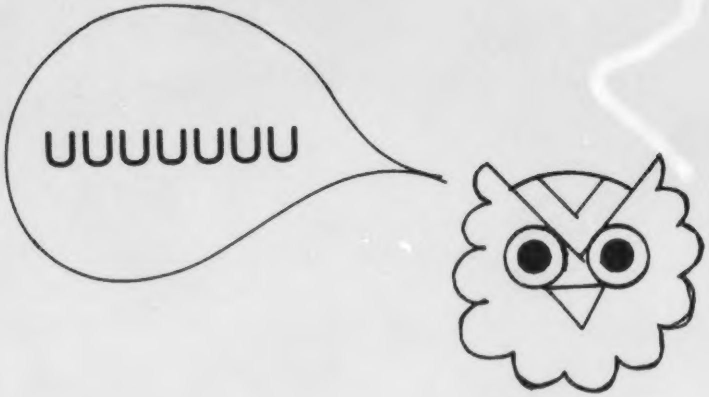
Grupo 4

Ud. y su familia deben decidir juntos las cosas que necesitan, como renta, deseos, cine.

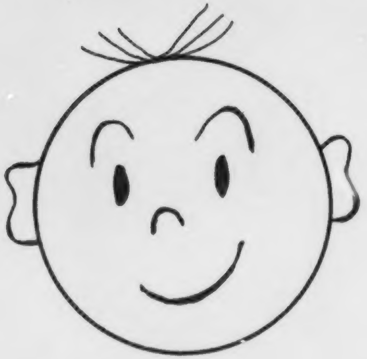
Cuando decide comprar algo no es necesario informar a los demás miembros de la familia.

Su familia tendrá que cambiar su plan financiero cuando la familia cambia—por ejemplo cuando tiene un hijo, un ascenso o cuando se casa un miembro de la familia.

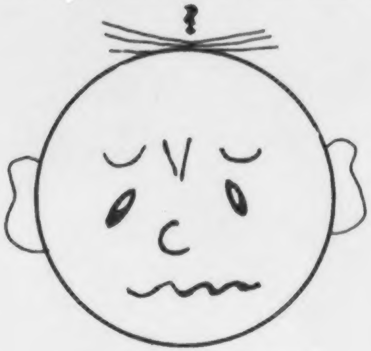
Cuando su familia tiene un plan financiero que funciona bien, nunca tiene que cambiarlo.



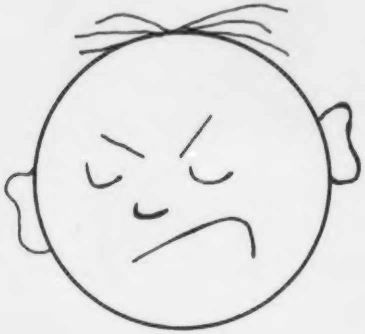
Nombre: ____________________



Estoy de acuerdo



Yo no sé



No estoy de acuerdo

TARJETAS PARA AUTORIZAR DEPÓSITOS
(Transparencia)

(152)

GUARDADO EN LA OFICINA DEL PATRÓN:

Instrucciones para Depositar
Cheques de Sueldo:

____
No. de Seguridad Social
Quincenal
Mensual

NOMBRE ____

Departamento____

Domicilio Local____

Nombre de Banco ____

Dirección de Banco ____

Título Exacto de Cuenta de Cheques______________________________

Número de Cuenta de Banco__________________________________

Firmado: ____________________ Fecha____________________

MANDADO AL BANCO:

____
Nombre de Banco   Ciudad   Estado

Se le ha autorizado al Departamento de Paga, ____________________________ ________________ a mandar a mi cuenta para depósito todo cheque de sueldo que se me debe.

Título Exacto de Cuenta de Cheques ______________________________

____

Número de Cuenta ____

Firmado ____

Domicilio Local____

Fecha ____

PAPELETA DE DEPÓSITO
(Transparencia)

(153)

BILLETE DE DEPÓSITO

Nombre Fred Martin

Domicilio 114 Garden Ave

Fecha 14 de abril de 1980

Úsese el inverso para alistar más de tres cheques; apunte el total en el espacio indicado.

BANCO NACIONAL MUNICIPAL
Texas City, Texas 21435

Número de Cuenta 12-34-56

Moneda Corriente		25	00
Moneda en Metálico		1	75
Cheques alistados Individualmente	Kurt Jackson	29	00
	Mellra Wood	35	68
	A-A ome Foods	98	07
	Total del	-	-
	lado inverso	-	-
SUB-TOTAL		189	50
MENOS CAMBIO RECIBIDO		—	—
TOTAL NETO		189	50

PAPELETA DE DEPÓSITO PERSONAL
(Transparencia)

(154)

Para Depositarse en
la Cuenta de:

PAPELETA DE DEPÓSITO
CUENTA DE CHEQUES

$\frac{1\text{-}5}{123}$

FRED MARTIN
114 GARDEN AVENUE
TEXAS CITY, TEXAS 21435

Fecha____________19__

Depositado en:
BANCO NACIONAL MUNICIPAL
Texas City, Texas 21435

1:0456:0203: 12-34-56

Cambio	Moneda Corriente		
	Moneda en Metálico		
Cheques			
TOTAL			
MENOS CAMBIO RECIBIDO			
DEPÓSITO NETO			

MUESTRA DE REGISTRO DE LIBRETA DE CHEQUES

(Para Repartir)

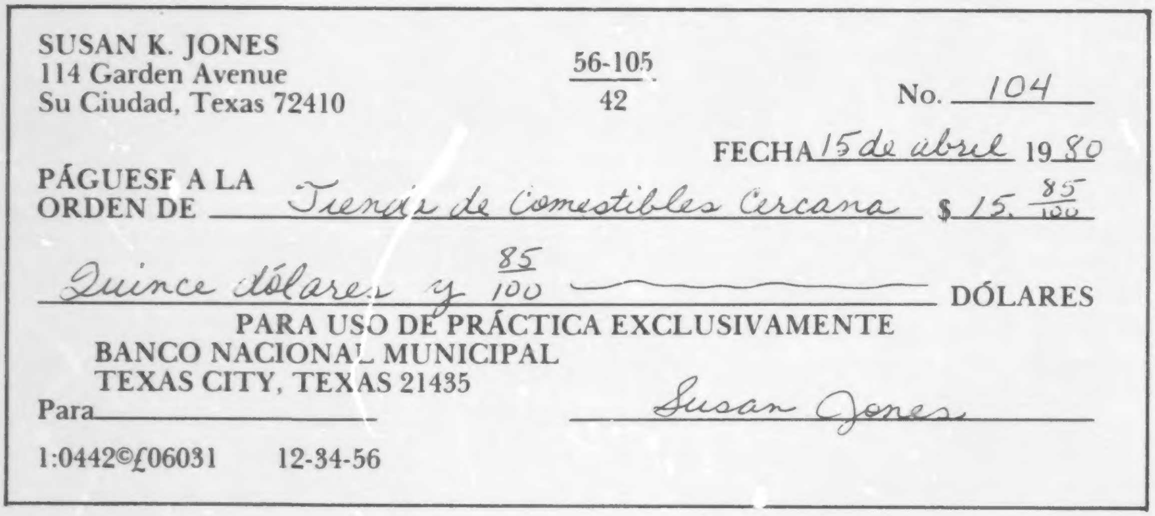
(155)

Asegúrese de *Restar* Cualquier Cobro por Cheque o Cobro de Servicio que Pueda Aplicarse a Su Cuenta.

No. de cheque	Fecha	Cheque Escrito a	Cantidad del (-) cheque		Fecha de Depósito	Cantidad de (+) Depósito	BALANCE
							333.46
101	3/10	Compañía de Seguros	13.12				320.34
102	3/13	Tienda de Ropa	7.25				310.10
103	3/15	Depósito: Cía. de Utilidades	4.64				305.46
104	3/18	Tienda de Comestibles	8.25				297.21
105	3/19	Iglesia Toda-Fe	12.00				285.21
106	3/21	Farmacia Cercana	2.75				282.46
107	3/23	Taller de Reparaciones	5.98				276.48
		Depósito			3/24	70.00	346.48
	3/24	Tienda de Abarrotes	14.60				
	3/24	Compañía Eléctrica	9.82				
	3/26	Compañía de Teléfonos	17.65				
	3/28	Periódico	3.00				
	3/28	Compañía de Servicio de agua	7.22				
	3/28	Correos	5.00				
	3/30	Mildred Hunt	10.00				
	4/3	Pago del Carro	65.00				
	4/7	Alquiler	77.25				

COMO FIRMAR UN CHEQUE
(Transparencia)

(156)



SUSAN K. JONES
114 Garden Avenue
Su Ciudad, Texas 72410

$\frac{56\text{-}105}{42}$

No. 104

FECHA 15 de abril 19 80

PÁGUESF A LA ORDEN DE Tienda de Comestibles Cercana $ $15.\frac{85}{100}$

Quince dólares y $\frac{85}{100}$ DÓLARES

PARA USO DE PRÁCTICA EXCLUSIVAMENTE

BANCO NACIONAL MUNICIPAL
TEXAS CITY, TEXAS 21435

Para

Susan Jones

1:0442©£06031 12-34-56

MUESTRAS DE CHEQUES
(Hojas de Práctica)

Direcciones: Duplíquense los cheques y sujétanse con grapas por arriba (o al lado) para prática en escribir cheques y en leer el registro de balances de la libreta de cheques.

FRED MARTIN
114 GARDEN AVENUE
TEXAS CITY, TEXAS 21435

$\frac{56\text{-}105}{42}$

No. ________

FECHA ____________ 19__

PÁGUESE A LA
ORDEN DE ______________________________ $________

______________________________________ DÓLARES

PARA USO DE PRÁCTICA EXCLUSIVAMENTE

BANCO NACIONAL MUNICIPAL
TEXAS CITY, TEXAS 21435

Para ________________ ________________

1:0442©£06031 12-34-56

FRED MARTIN
114 GARDEN AVENUE
TEXAS CITY, TEXAS 21435

$\frac{56\text{-}105}{42}$

No. ________

FECHA ____________ 19__

PÁGUESE A LA
ORDEN DE ______________________________ $________

______________________________________ DÓLARES

PARA USO DE PRÁCTICA EXCLUSIVAMENTE

BANCO NACIONAL MUNICIPAL
TEXAS CITY, TEXAS 21435

Para ________________ ________________

1:0442©£06031 12-34-56

LA CUENTA DE CHEQUES DE FEDERICO MARTÍN

(161)

Usando el registro de cheques de la lección previa, compárelo con la nota del banco.

Cada participante necesita:

1) 1 registro del chequero (librito de cheques)
2) 16 cheques en blanco
3) 2 hojas de depósitos
4) 1 nota del banco
5) 1 hoja de balance

Instrucciones:

Escriba un cheque por cada cosa en la lista siguiente. Cuando escribe el cheque, nótelo en el registro de Federico. Cuando nota el cheque en el registro, resta la cantidad del cheque del balance en la cuenta. Le darán la fecha del cheque y la cantidad. Fíjese en que cada cheque tiene su número particular.

Número del Cheque	Fecha	Persona/Negocio	Cantidad
108	3/24	Supermercado U-Save	$14.60
109	3/24	Cía. de Electricidad	9.82
110	3/26	Cía. de Teléfonos	17.65
111	3/28	Periódico	3.00
112	3/28	Cía.de Agua	7.22
113	3/28	Correo	5.00
114	3/30	Mildred Brown	10.00
115	4/3	Second Nat. Bank	65.00
116	4/7	Cía. de Préstamos Texas	77.25

Cuando ha llenado los cheques y el registro compárelos. Siga los pasos discutidos en la sección sobre como manejar una cuenta de cheques. Para hacer esto va a necesitar cheques cancelados (cheques ya pagados por el banco de su cuenta) las hojas de depósitos, la nota del banco, el registro de su chequero (librito de cheques), una hoja de balance y una pluma o un lápiz.

MUESTRA DE REGISTRO DE LIBRETA DE CHEQUES
(Para Repartir)

Asegúrese de *Restar* Cualquier Cobro por Cheque o Cobro de Servicio que Pueda Aplicarse a Su Cuenta.

No. de cheque	Fecha	Cheque Escrito a	Cantidad del (-) cheque		Fecha de Depósito	Cantidad de (+) Depósito	BALANCE

FRED MARTIN
114 GARDEN AVENUE
TEXAS CITY, TEXAS 21435

56-105
42

No. ______

FECHA ______ 19__

PÁGUESE A LA
ORDEN DE ______ $______

______ DÓLARES

PARA USO DE PRÁCTICA EXCLUSIVAMENTE

BANCO NACIONAL MUNICIPAL
TEXAS CITY, TEXAS 21435

Para______ ______

1:0442©£06031 12-34-56

FRED MARTIN
114 GARDEN AVENUE
TEXAS CITY, TEXAS 21435

56-105
42

No. ______

FECHA ______ 19__

PÁGUESE A LA
ORDEN DE ______ $______

______ DÓLARES

PARA USO DE PRÁCTICA EXCLUSIVAMENTE

BANCO NACIONAL MUNICIPAL
TEXAS CITY, TEXAS 21435

Para______ ______

1:0442©£06031 12-34-56

PAPELETA DE DEPÓSITO
(Transparencia)

(164)

BILLETE DE DEPÓSITO

Nombre ____________________

Domicilio ____________________

Fecha ____________________

Úsese el inverso para alistar más de tres cheques; apunte el total en el espacio indicado.

BANCO NACIONAL MUNICIPAL
Texas City, Texas 21435

Número de Cuenta ______________

Moneda Corriente			
Moneda en Metálico			
Cheques alistados Individualmente			
	Total del lado inverso		
SUB-TOTAL			
MENOS CAMBIO RECIBIDO			
TOTAL NETO			

BILLETE DE DEPÓSITO

Nombre ____________________

Domicilio ____________________

Fecha ____________________

Úsese el inverso para alistar más de tres cheques; apunte el total en el espacio indicado.

BANCO NACIONAL MUNICIPAL
Texas City, Texas 21435

Número de Cuenta ______________

Moneda Corriente			
Moneda en Metálico			
Cheques alistados Individualmente			
	Total del lado inverso		
SUB-TOTAL			
MENOS CAMBIO RECIBIDO			
TOTAL NETO			

ESTADO DE CUENTA DE BANCO DE FRED MARTIN

(Para Repartir)

(165)

Declaración de
Estado de Cuenta

Fecha de esta Declaración	Su Número De Cuenta
4-10-78	12-34-56

Banco Nacional Municipal
P.O. Box 010
Texas City, Texas 21435

FRED MARTIN
114 GARDEN AVENUE
TEXAS CITY, TEXAS 21435

Cheques alistados en orden de pago—Léase horizontalmente

Úsese el inverso para concordar su cuenta

CHEQUES	CHEQUES	FECHA	DEPÓSITOS	BALANCE
				248.46
		3-10	85.00	333.46
13.12		3-10		320.34
10.24		3-13		310.10
4.64		3-15		305.46
8.25		3-18		297.21
12.00		3-19		285.21
2.75		3-21		282.46
5.98		3-23		276.48
		3-24	70.00	346.48
1.05 CS		3-24		345.43
14.60		3-24		330.83
9.82		3-24		321.01
17.65		3-26		303.36
3.00		3-28		300.36
7.22	5.00	3-28		288.14
10.00		3-30		278.14
65.00		4-3		213.14
77.25		4-7		135.89

Ud. Ha Añadido Depósitos en Total de		Hemos Restado Cheques en Total de		Menos Cobro de Servicio	Resultando en Su Balance Actual
Número	Cantidad	Número	Cantidad		
2	$155.00	16	$266.52	$ 1.05	$ 135.89

Favor de Examinar en seguida. Comuníquese directamente con el Departamento de Teneduría de Libros si hay alguna alteración, falsificación u otra irregularidad. Esta declaración se considerará correcta si no se nos informa de ninguna errata dentro de diez días.

EXPLICACIÓN DE SÍMBOLOS

CS	Cobro de Servicio	A	Cheques Alistados
SG	Sobregiro	I	Inverso de Entrada
CSG	Cobro de Sobregiro	M	Entrada Miscelánea
CHD	Cheque Devuelto	CC	Cuota del Club
CCHD	Cobro de Cheque Devuelto		

SE LE PROVIENE ESTA FORMA PARA AYUDARLE A CONCORDAR SU CUENTA

(Transparencia)

(166)

Cheques Sobresalientes—No Cobrados A La Cuenta

Número o Fecha	Cantidad	
	$	
TOTAL		

Mes ______________________ 19____

1. Balance de Banco Señalado en Esta Declaración $____
2. AÑÁDANSE+ Depósitos No Acreditados a esta Declaración $____

____

____

TOTAL (1 y 2) $____

RÉSTENSE Cheques Sobresalientes $____

BALANCE $____

Debe concordarse con su libreta de cheques después de restar cobro de servicio (si hay). El cobro de servicio (CS) para el mes previo está marcado al inverso de esta declaración.

CUANDO NECESITA UN PRÉSTAMO, NO OLVIDE ESTAS COSAS (172)
(Hoja Para Repartir)

1) Esté seguro que puede devolver el dinero en la fecha apropiada.

2) ¿Tiene Ud. un presupuesto realísitco?

3) Lea el contrato del préstamo antes de firmarlo.

4) Esté seguro de que comprende todas las secciones del contrato. Cosas importantes que debe comprender son la cantidad del préstamo, el porcentaje anual de interés, la cantidad de los pagos y exactamente cuanto dinero tiene que devolver.

5) Vea si hay una sección en el contrato que dice que se puede venderl a otra persona y esté seguro tener todas sus responsabilidades marcadas. Note lo que promete la compañía en el caso de que lo que compra se descomponga o tenga otro defecto. Esto se llama the Holder in Due Course Ruling. Muchas veces el vendedor original y el creditor no aceptan la responsibilidad del defecto. Esta ley nueva pone más responsibilidad en el vendedor original como en él que tiene el contrato para respetar la garantía del producto.

6) No firme un contrato hasta que el creditor (la persona que le da el préstamo) haya completado el contrato.

7) No firme un contrato si el creditor no quiere darle una copia antes de que ponga su firma.

8) Lea el contrato para ver si hay una "cláusula de aceleración," una sección que dice que si Ud. falta un pago, tiene que pagar el balance de inmediato.

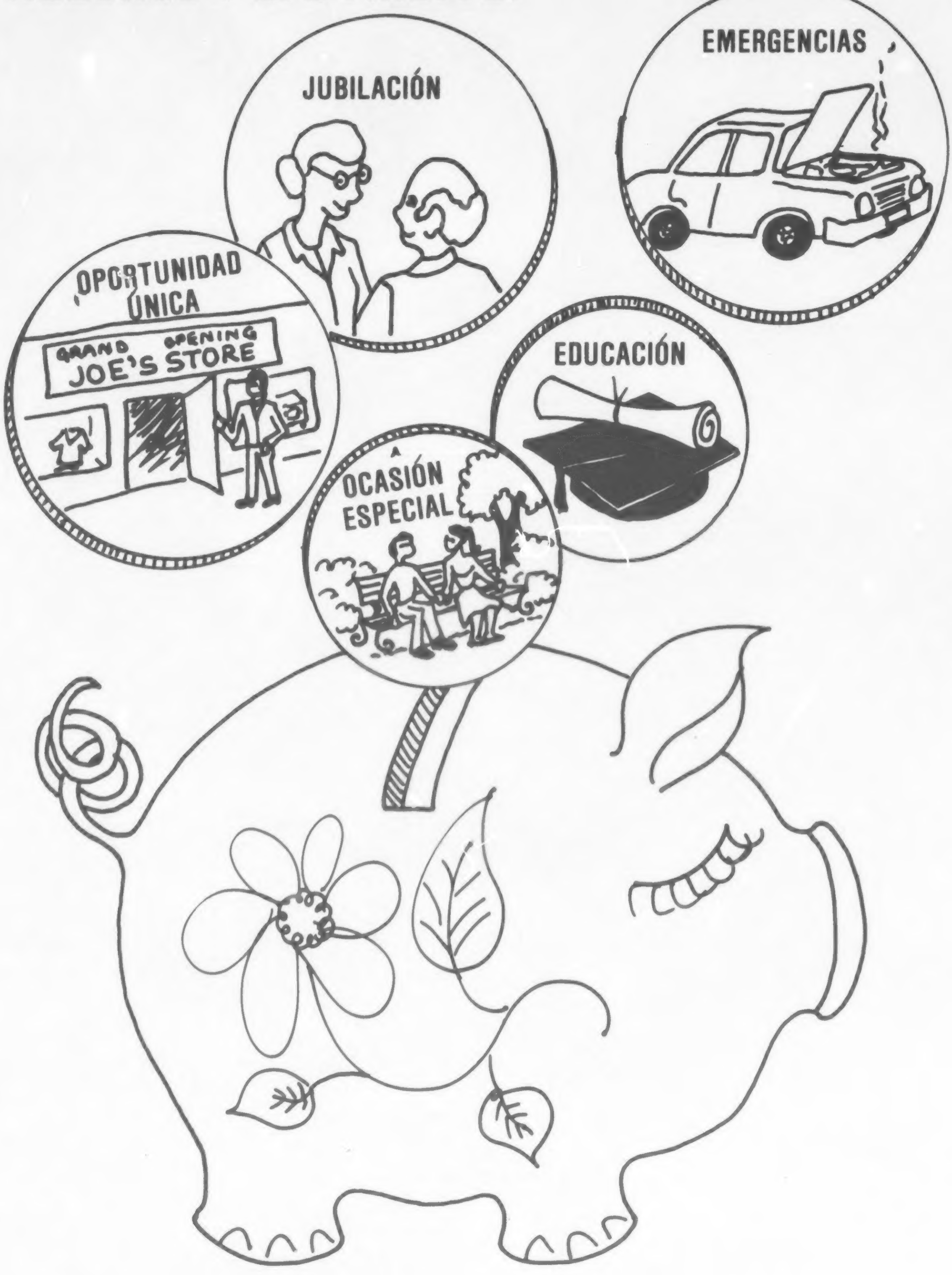
9) Sepa Ud. exactamente cuanto paga para el préstamo en interés, y decida si lo que compra vale el costo adicional.

10) No olvide que los bancos prestan dinero para hacer dinero.

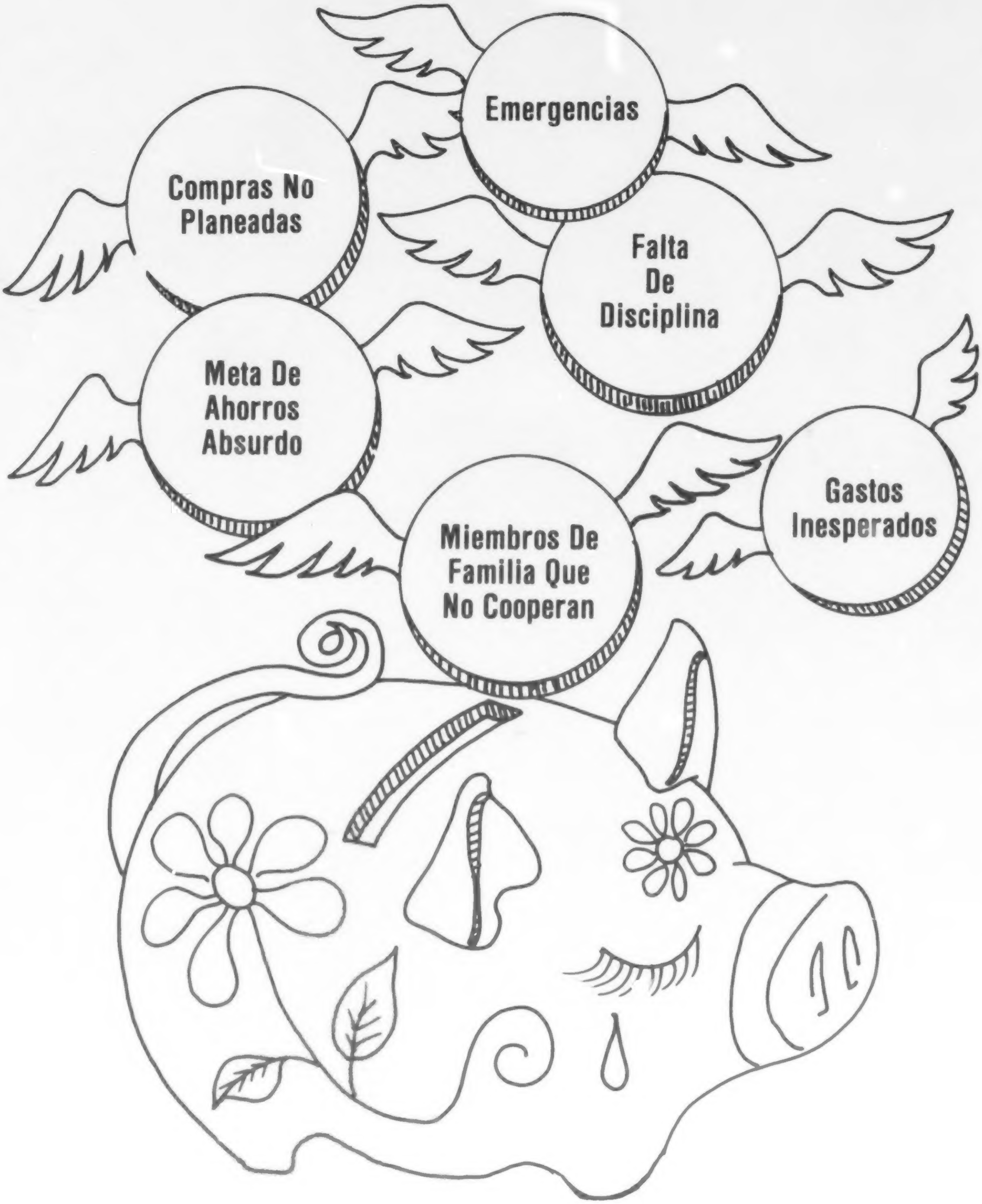
11) Trate de hallar el préstamo con interés más barato.

Razones Para Ahorrar

(175)


JUBILACIÓN
EMERGENCIAS
OPORTUNIDAD ÚNICA
GRAND OPENING
JOE'S STORE
EDUCACIÓN
OCASIÓN ESPECIAL

Razones Por Las Cuales Familias No Alcanzan El Meta De Ahorros


Emergencias
Compras No Planeadas
Falta De Disciplina
Meta De Ahorros Absurdo
Gastos Inesperados
Miembros De Familia Que No Cooperan

RAZONES POR LAS CUALES UNAS FAMILIAS NO AHORRAN LO QUE QUIEREN

La Familia Johnson

Hace mucho tiempo que Jerry y Joan Johnson y sus hijos desean un televisor. La mayor parte de sus vecinos tienen un televisor. A veces Joan mira la t.v. con una vecina. A Jerry, le gusta mirar las películas con un amigo que vive en la misma calle. Muy seguido, Joan tiene que buscar a sus dos hijos de casa en casa. A ellos, les gusta mirar la t.v. también. Todos los Johnson están de acuerdo en su deseo de tener un televisor en casa.

Entonces, ¿por qué no compran los Johnson un televisor? Podrían comprar uno en crédito, pero todavía tienen pagos que hacer para su carro y para unos muebles que compraron cuando rentaron su casa. Por eso, los Johnson no quieren tener más pagos a plazos.

Tienen una pequeña cuenta de ahorros que no ha crecido desde que cambiaron de casa el año pasado. Sin embargo, el plan de gastar dinero que tienen los Johnson indica que deben tener $30 de sobra a fines de casa mes. Los Johnson creen que tienen bastante dinero para lo que necesitan durante el mes, pero en realidad, nunca hay dinero de sobra.

El Sr. y la Sra. Johnson fuman y, aunque dicen que gastan demasiado dinero para cigarros, no pueden fumar menos. Frecuentemente los hijos piden más dinero para comprar sodas, dulces y juguetes. Joan va diariamente al supermercado para comprar cosas que ha olvidado. Jerry admite que comprar cerveza una vez a la semana para sus amigos es caro, pero continúa haciéndolo.

Todos los Johnson dicen que necesitan un televisor, pero nadie quiere apartar el dinero para comprarlo. Antes de ahorrar, todos tienen que cooperar en reducir los gastos adicionales. Cada miembro de la familia tiene que disciplinarse.

¿Qué dos cosas tienen que hacer los Johnson para comprar lo que necesitan?
    APOYO Y COOPERACIÓN DE TODOS LOS MIEMBROS DE LA FAMILIA
    LA DISCIPLINA PERSONAL
¿Qué haría Ud. en estas circunstancias?

La Familia López

Manuel y María López han tratado de ahorrar dinero para comprar un carro nuevo, pero algo ocurre siempre que les impide. Los López habían ahorrado $400 cuando su hija, Ester, se cayó en el recreo de la escuela y se fracturó el brazo. Habían ahorrado $100 cuando la enfermera de la escuela descubrió que Luis necesitá anteojos. Los ahorros bajaron a $40.

¿Por qué no han ahorrado los López lo que quisieron?
    EMERGENCIAS
    GASTOS INESPERADOS

La Familia Smith

Samuel y Sally Smith y su hija Judy quisieran hacer un viaje a las montañas el verano que viene. Para lograr su meta creen que tienen que ahorrar $75 cada mes. Han revisado sus gastos y piensan que pueden ahorrar esta cantidad. Sin embargo, este mes los Smith han gastado los $75 en abarrotes la última semana del mes. Parece que Sally compró una lámpara, un artículo que no incluyó en el plan del mes. La Sra. Smith admite que en realidad no necesitá la lámpara. Judy tuvo que pedir prestado el dinero para la comida en la escuela porque gastó su propio dinero por un disco nuevo. Además, parece que Samuel no supo cuanto costaría para reparar el carro de la familia. En lugar de ahorrar dinero para las vacaciones del verano, ahora los Smith deben dinero.

¿Por que no pueden los Smith ahorrar lo que quieren?
HABÍAN GASTADO MÁS DE LO QUE QUISIERON EN OTRAS COSAS
HABÍAN COMPRADO COSAS QUE NO NECESITABAN
¿Cómo pueden los Smith rectificar esta situación para que todavía puedan ahorrar el dinero de las vacaciones?

La Familia Barr

Melonie y Clifford Barr tienen ambiciones para sus ahorros. Ganan $9,000 al año y tienen cuatro hijos de menos de ocho años de edad. Los Barr desean comprar una casa. Entonces, decidieron ahorrar $600 este año para el pago inicial de una casa que cuesta $15,000. Esto quiere decir que los Barr tienen que vivir con menos de $700 al mes. Pagan $150 de renta y sus abarrotes cuestan $80 por semana o $320 cada mes. Además, hay otros gastos necesarios— ropa, transportación, seguros, servicios, gastos de escuela, recreo, etc. Durante los primeros dos meses siguieron con su plan. Los Barr gastaron menos en recreo y compraron sólo los artículos esenciales. Clifford empezó a quejarse porque los hijos dejaban las luces prendidas y usaban demasiada agua. Melonie regañó a Clifford por que compraba demasiados dulces y juguetes para sus hijos. Los hijos decidieron que después de todo, no querían su propia casa—por que todo el mundo se enajaba continuamente.

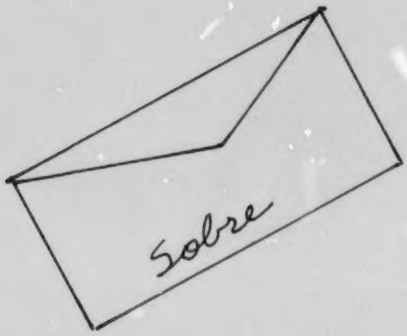
¿Cómo se han equivocado los Barr en su plan de ahorros?
QUIEREN AHORRAR DEMASIADO. NO PUEDEN COMPRAR NECESIDADES.
¿Puede Ud. sugerir un plan más adecuado para los Barr?

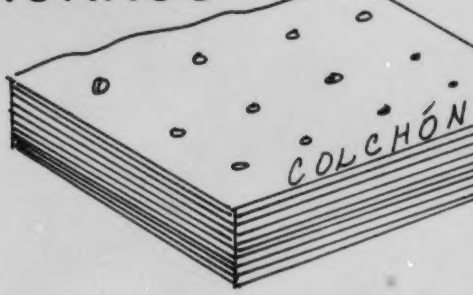
La Familia Wong

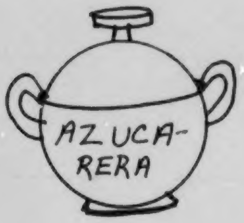
Lee y Suzie Wong reciben estampillas para comida cada mes. Con éstas compran comida para ellos y sus dos hijos. Los precios están subiendo y Suzie encuentra dificultades en comprar todo lo que necesita la familia con las estampillas que recibe. Los artículos que compra con las estampillas son: carne molida para hacer hamburguesas, potato chips, corn chips, 2 cartones de Coca Cola, bistec, dulces de chocolate, 4 cajas de legumbres congeladas, pan con ajo. Los Wong no entienden por que su ración de estampillas no basta para comprar la comida que quieren.

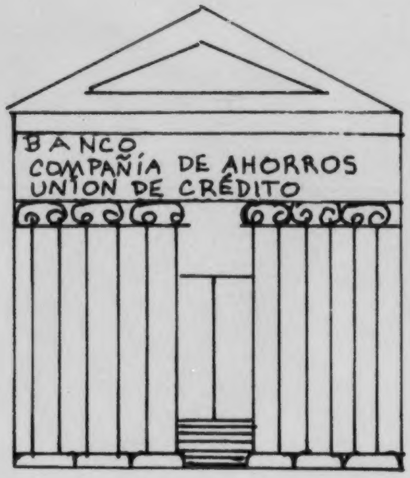
¿Qué pasa con los abarrotes de los Wong?
LA COMIDA QUE COMPRAN ES MUY CARA
¿Puede Ud. sugerir como los Wong pueden ahorrar en sus abarrotes y utilizar mejor sus estampillas para comida?

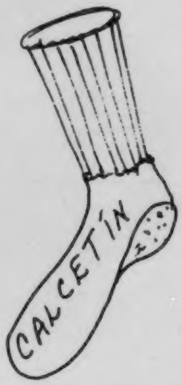
DONDE LA GENTE GUARDA LOS AHORROS

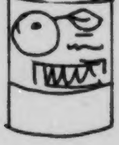


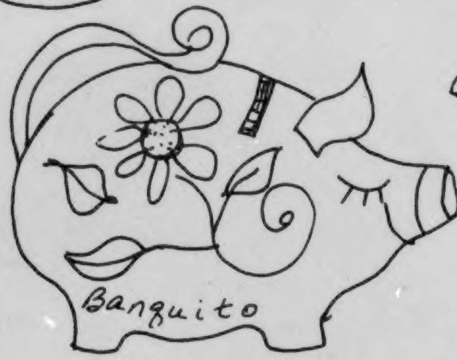


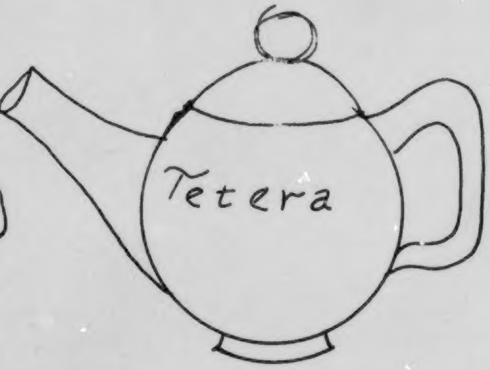



BANCO
COMPAÑÍA DE AHORROS
UNIÓN DE CRÉDITO









EL ARBOL DE DINERO

(184)

Scott y yo nos casamos hace un año. Somos felices aunque pobres. Temprano durante el verano, nos cambiamos al campo "norte", 30 millas de nuestra casa, para preparar la tierra y sembrar el trigo. Poco sabía de las "acomodaciones" que tendría en nuestra "Segunda Luna de Miel." Estában pésimas. Durante dos semanas vivimos en un jacal de un cuarto, comiendo la comida que preparaba en una estufa vieja de dos quemadores.

A pesar de las incomodidades y una serie sin fin de arañas, serpientes y grillos, apreciábamos la soledad, lejos de nuestros padres y parientes durante un rato. Las dos semanas pasaban tan rápido, que apenas sentí el paso del tiempo. Regresamos por lo menos dos veces durante el verano para arar la tierra otra vez. Me sentí como una pionera. Sólo me faltaban el vestido largo, la gorra y los zapatos de cuero.

Nos creímos ricos con el dinero que ganamos de la cosecha del trigo. Hicimos el último pago del carro, y nos quedaron $1000. A fines de mayo, firmé un contrato para enseñar en la escuela. ¡Tuvimos más suerte que cualquier otro matrimonio joven!

¿Qué hacer con los $1000? Yo quise ponerlos en el banco, pero Scott dijo que no. La tentación de verlo todo el tiempo sería demasiado grande. Su padre sugirió que los pusiéramos en una cuenta de ahorros, pero Scott dijo "no" otra vez. Ya sabíamos en que cosa íbamos a gastar el dinero. Ibamos a construir un cuarto en nuestra casa para tener un lugar suficiente para una familia en algunos años, al terminar mi trabajo en la escuela. Ya hicimos la decisión. Íbamos a enterrar el dinero debajo de un árbol cerca de la ventana de la cocina. Envolvimos los billetes en hoja de estaño los pusimos en una bolsa de plástico, y enterramos todo en una jarra. Llamamos el árbol nuestro árbol de dinero—un chiste privado que nos puso a reír a carcajadas cuando lo mencionamos en frente de nuestros amigos.

Un día me acosté arriba del lugar exacto donde teníamos nuestro tesoro enterrado. Me sentía segura pensando en lo que teníamos para el futuro. Soñaba con el cuarto nuevo y el hijo que víviría allí. Casi lloraba de alegría y di gracias a Dios por su bendición.

Mis oraciones cambiaron el próximo otoño cuando empezamos a construir nuestro cuarto y decidimos desenterrar nuestro dinero para poder pagar en efectivo el costo del proyecto. Scott buscó en el lugar exacto dondo lo enterramos—creyó—pero no hubo dinero. Cavó más abajo y a los dos lados. Al principio nos divertimos, pero después de dos horas empezamos a desesperarnos. Empecé a llorar. Deducimos que alguien nos había visto cuando enterramos el dinero y había robado todo cuando no estuvimos en casa. Finalmente, Scott aró alrededor del árbol, y hallamos la jarra con el dinero intacto. Otra vez di gracias a Dios por su bendición a dos jóvenes tontos.

Nunca más tuvimos otro árbol de dinero.

PREGUNTAS SOBRE LA HISTORIA

¿Tuvo razón Scott en sus ideas para guardar el dinero? Discuta su contestación.

¿Conoce Ud. a otras personas que han decidido guardar su dinero en una manera poco común? Dé ejemplos.

¿Cuánto dinero tendría Scott después de un año si hubiera (a) puesto los $1000 en una cuenta de ahorros en el banco (b) o si hubiera puesto los $1000 en una cuenta de ahorros ofreciendo interés anual, o (c) si hubiera puesto los $1000 en una cuenta de "savings and loan" con interés computado cada tres meses?

¿Qué haría Ud. con el dinero? ¿Por qué?

ESQUEMA DE SUS AHORROS
(Transparencia)

Este esquema le muestra el valor de un plan de ahorros regular.

Como Crecen los ahorros	$5 al mes	$10 al mes	$15 al mes
1 año	61.82	132.64	185.47
2 años	127.14	254.28	381.42
3 años	196.15	392.30	588.45
4 años	269.06	538.12	807.18
5 años	346.09	692.19	1,038.28
10 años	801.73	1,603.46	2,405.19
15 años	1,401.57	2,803.14	4,204.72
20 años	2,191.27	4,382.54	6,573.80

Este esquema se proyecta en 5-1/2% al año, computado diariamente.

¿CÓMO VA A AHORRAR?

(187)

¿QUÉ QUIERE?

ARTÍCULO____________________

DINERO QUE CUESTA________________

¿DE DÓNDE VENDRÁ EL DINERO?

____

____

____

____

____

¿CUÁNTO TIEMPO VA A AHORRAR?

____

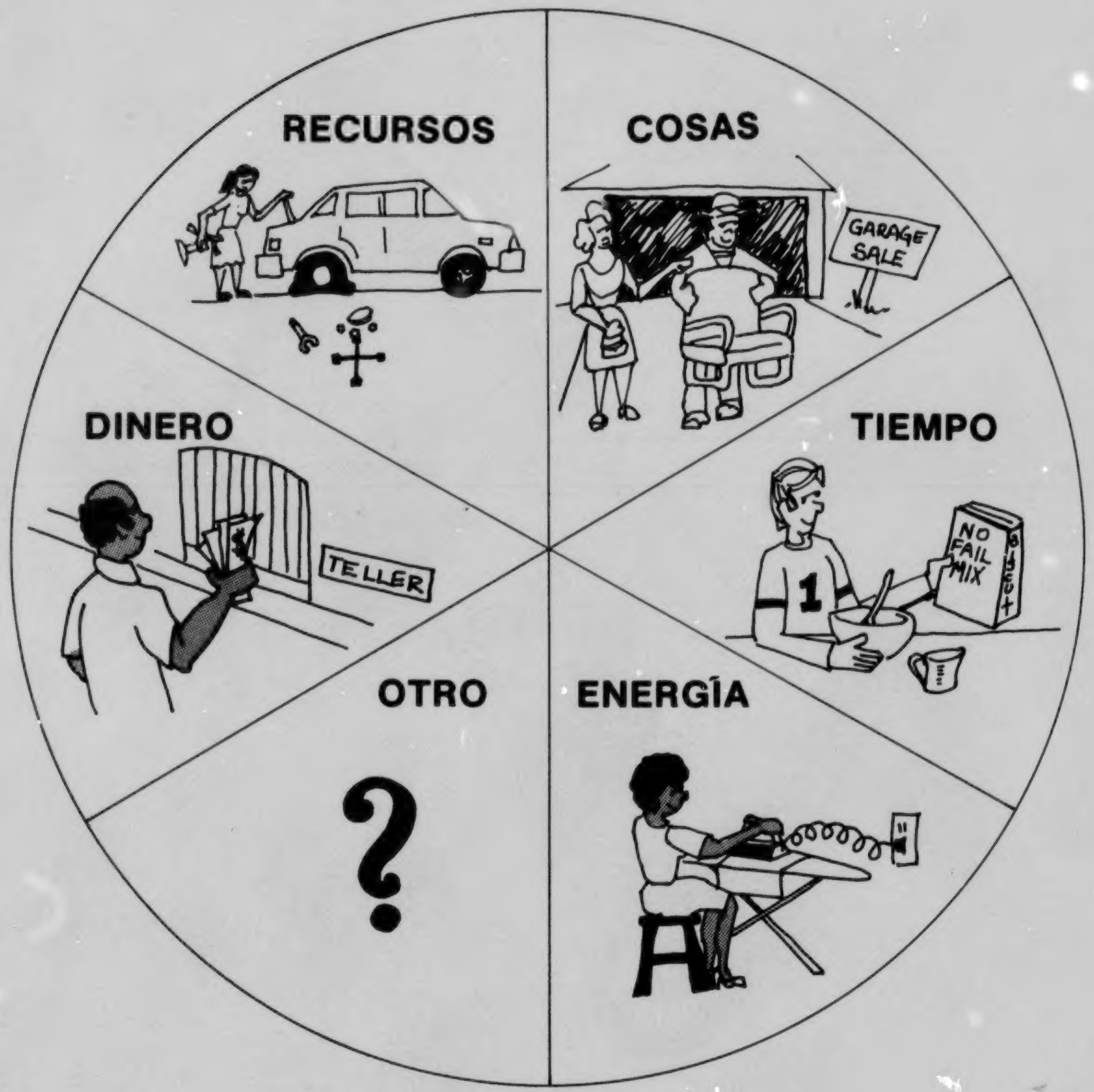
____

¿CUÁNTO DINERO VA A NECESITAR CADA SEMANA?

1a Semana	2a Semana	3a Semana	4a Semana	5a Semana

581

LA GENTE AHORRA POR VARIOS MEDIOS (192)


RECURSOS
COSAS
GARAGE SALE
DINERO
TELLER
TIEMPO
NO FAIL MIX
1
OTRO
?
ENERGÍA

SUBASTA DE INTERCAMBIO
(Hoja para Distribuir)

Aquí hay una idea que es divertida y puede ayudarle en hallar oportunidades para ahorrar dinero.

Invite a algunos amigos y vecinos. En pedazos de papel de un color escriba lo que necesita como ayuda; en un pedazo de papel de otro color escriba las habilidades y servicios que Ud. puede ofrecer a los demás. Por ejemplo:

Servicios que Necesita	Servicios que puede Ud. ofrecer
1. Alguien que puede cortar el pelo de dos hijos.	1. Reparar artículos de casa (tomé un curso en esto en la escuela vocacional de adultos); arreglar puertas y reparar los vidrios de una ventana.
2. Reparaciones menores de un carro.	2. Cuidar a los niños
3. Pintar el interior de una casa.	3. Cortar el zacate (tengo una máquina eléctrica).

Cuando todo el mundo ha entregado su lista, empieza la subasta. El intercambio de los servicios puede seguir entre dos individuos o entre varios miembros del grupo.

Recuerde que Ud. tiene recursos que puede cambiar. A veces realizamos nuestros recursos a fuerza de necesidad, sin saber de antemano que los poseemos.

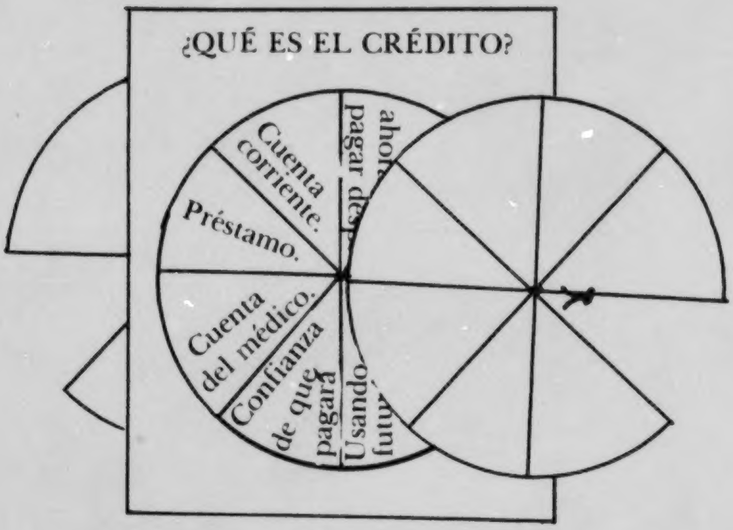
Si no puede juntar un grupo para la subasta, haga una lista de lo que necesita en una columna y los servicios que puede prestar en otra. Reparta la lista entre amigos, parientes y vecinos. Ofrezca un servicio por cada uno que necesita.

¡Recuerde! Cada quien tiene por lo menos un talento que ha olvidado, y mucha gente tiene varios.

¡Piense! ¿Cuáles son sus talentos naturales y cómo puede aprovecharlos?

¿QUÉ ES EL CRÉDITO?

(198)


¿QUÉ ES EL CRÉDITO?
Cuenta corriente.
Préstamo.
Cuenta del médico.
Confianza de que pagará
Usando futu
ahor
pagar des

Materiales que va a necesitar:
2 hojas de cartel
Papel cartón de colores brillantes
1 puntilla
1 marcador de fieltro
pegadura

Instrucciones:

1. Corte 2 círculos grandes de un pedazo de hoja de cartón.
2. Divida cada círculo en 8 secciones como un pastel.
3. Corte un pedazo de cada círculo.
4. Pegue pedazos de papel de cartón de color brillante a los demás 7 secciones del círculo, empleando varios colores.
5. Trace círculos del mismo tamaño en los dos lados de otra hoja de cartón.
6. Divida estos círculos en 8 secciones como un pastel.
7. En un lado de la hoja de cartón el grande escriba "¿Qué es el crédito?
8. En cada una de las 8 secciones del círculo escriba una de las frases siguientes:

¿Qué es el crédito?

1) Confianza de que pagará en una fecha determinada.
2) Comprar ahora y pagar después.
3) "Alquiler" el dinero de otro.
4) Cuenta corriente.
5) Préstamo.
6) Cuenta del médico.
7) Usando ingresos futuros para necesidades y deseos presentes.
8) Un servicio por el cual tendrá que pagar.

¿Para qué usar el crédito? (199)

1) Para arreglar necesidades presentes con ingresos futuros.
2) Para emergencias.
3) Para necesidades.
4) Para gastos mayores.
5) Para cosas que duran después del pago final.
6) Para artículos de lujo.
7) Para comprar barato.
8) Para compras de impulso.

9. Ponga un agujero en el centro de cada círculo y de la hoja de cartón.
10. Pegue los círculos hechos en los números 1-4 a un lado de la hoja de cartón con las secciones de varias colores afuera. Use la puntilla.
11. Ajuste el círculo atado hasta que esté en el centro y muestre una de las frases escritas en la hoja de cartón.

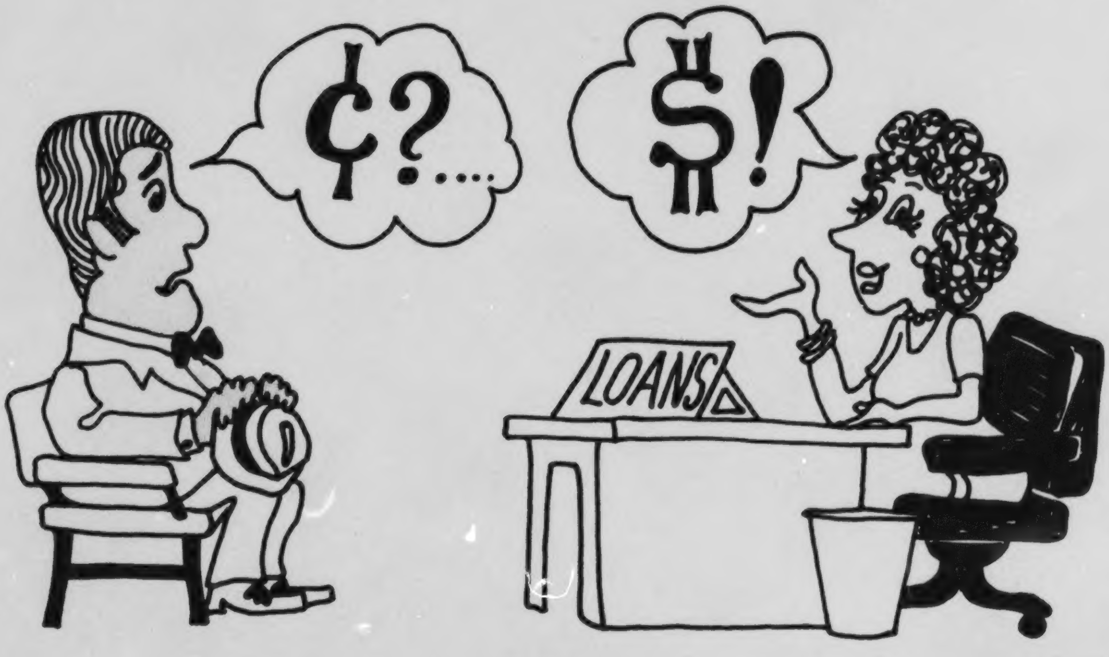
¿DEBE USTED USAR CREDITO? (200)

Hagase Ud. estas preguntas antes de decidir a comprar a credito o pedir dinero prestado.

1. ¿Lo necesito?
2. ¿Lo necesito ahora?
3. ¿Vale la pena tenerlo ahora si tengo que usar dinero adicional para pagar a usar el crédito?
4. ¿Tengo los medios para hacer los pagos?
5. ¿Tendré que pagar demasiado interés?
6. ¿Qué beneficios me resultarán?
7. ¿Qué sacrificaré para poderlo pagar?
8. ¿Vale la pena arriesgar la pérdida de dinero que invierto si es que no puedo cumplir con los pagos?
9. ¿Es que compro (o pido prestado) de una persona justa y honesta?
10. ¿Debería yo arriesgar tanto dinero que no podría conseguir más si me enfermara o si tuviera accidente?

Piense bien sus respuestas. ¿Es mejor usar crédito o esperar hasta poder comprar con moneda corriente?

Recuerde...
Asegúrese de tener más y mejores razones para usar crédito que para no usarlo.



LA CAPACIDAD DE CRÉDITO DE NUESTRA FAMILIA

(201)

Direcciones: Calcule cuanto dinero su familia gana cada semana, cada mes, en un año. Haga una lista del dinero que sabe que va a recibir. No incluya trabajos temporarios.

Ingresos de la Semana:

Padre ____________

Madre ____________

____________ ____________

____________ ____________

Total ____________

x 4 semanas

Ingresos mensuales ____________

x 12 meses

Ingresos anuales ____________

Sume sus gastos. Haga una lista de todo lo que puede recordar. Mejor aún, apunte lo que gasta cada día para hacer su plan en el futuro.

Gastos: Mensualmente

Comida.......................... ______
Ropa .... ______
Vivienda.......................... ______
Electricidad, Gas,
Teléfono, etc. .... ______
Transportación .... ______
Provisiones de Casa .... ______
Personal (Cortes
de pelo, etc.) .... ______
Cuentas médicas y
dentales .... ______
Educación .... ______
Iglesia y donaciones .... ______
Pagos a plazos .... ______
Otro .... ______

Total ______

X 12 meses

Gastos anuales ______

Si sus ingresos son más grandes que sus gastos, reste la cantidad de dinero que va a gastar de la cantidad que va a ganar. ¿Cuánto queda? Esta es la cantidad que tiene para ahorros, emergencias, y nuevas compras a plazos. Es la capacidad de crédito de su familia.

Ingresos Mensuales .... ______
Gastos Mensuales................ ______
Lo que Queda .... ______

Si la cantidad de dinero que desea gastar es más de la cantidad que va a ganar, reste los ingresos mensuales de los gastos mensuales. ¿Cuánto dinero más de sus ingresos ha gastado? Mire la lista de sus gastos. ¿Qué artículos no necesita?

Gastos Mensuales................ ______
Ingresos Mensuales .... ______
La Diferencia .... ______

¿QUÉ ES LA CAPACIDAD DE CRÉDITO DE LOS MCDONALD?

Glen y Ann McDonald quieren saber ¿qué es su capacidad de crédito? Ud. puede ayudar a los McDonald en esto. (Los miembros de la familia McDonald son el señor y la señora y sus tres hijos, Charles, Jim y Susan.) La Sra. McDonald tiene la información siguiente sobre los ingresos de la familia. Ponga esta información en su hoja de trabajo. Cada semana el Sr. McDonald lleva a casa $109.84. Su jefe le dijo que ganaría $120.00 por semana, pero después de los impuestos, el Seguro Social y otras deducciones, el Sr. McDonald recibe $109.84. Esta es la cantidad de dinero disponible que tiene la familia. La Sra. McDonald gana más o menos $20.00 por semana cosiendo para amigas y vecinas. Carlos, que tiene 14 años, gana $30.00 por semana vendiendo periódicos, y Jim gana $5.00 cada semana trabajando en un supermercado cercano. Susan tiene sólo 8 años y no contribuye a los ingresos de la familia.

Los McDonald tienen que saber cuanto dinero tienen para gastar cada mes. Primero, sume todo lo que los miembros de la familia ganan cada semana. Entonces, multiplique por 4 (el número de semanas en un mes) y Ud. sabrá lo que la familia McDonald gana por mes. A veces, los McDonald ganan más dinero en un mes—cuando el Sr. McDonald trabaja más horas o cuando la Sra. McDonald cose más. Sin embargo, los McDonald contarán sólo el dinero que saben que van a recibir. Ahora, multiplique los ingresos mensuales para saber lo que los McDonald ganan en un año.

La Sra. McDonald hizo apuntes sobre todo el dinero que la familia gastó durante el mes pasado. Escriba esta información en la columna de gastos en su hoja de trabajo.

Mensualmente	
$64	Comida*
50	Ropa
200	Renta (pagada mensualmente)
55	Servicios (no incluídos en la renta)
50	Transportación
25	Provisiones de casa
35	Personal
45	Cuidado médico y dental
10	Educación
40	Iglesia y donaciones
53	Pagos a plazos
$627	Contestación

Multiplique la contestación por 12 para ver aproximadamente lo que la familia gana anualmente.

Para computar la capacidad de crédito, reste los gastos mensuales de los ingresos por un mes. Lo que queda es la cantidad que tienen para ahorrar, para emergencias y para nuevas compras a plazos. Si los McDonald deciden ahorrar $20.00 cada mes, podrían utilizar $12.36 para más pagos a plazos cada mes. Ya tienen algunos ahorros y cierta cantidad para emergencias. Podrían gastar $32.36 en pagos a plazos cada mes en adición de los $53 que gastan ahora en pagos a plazos. Entonces, su capacidad de crédito sería $85.36.

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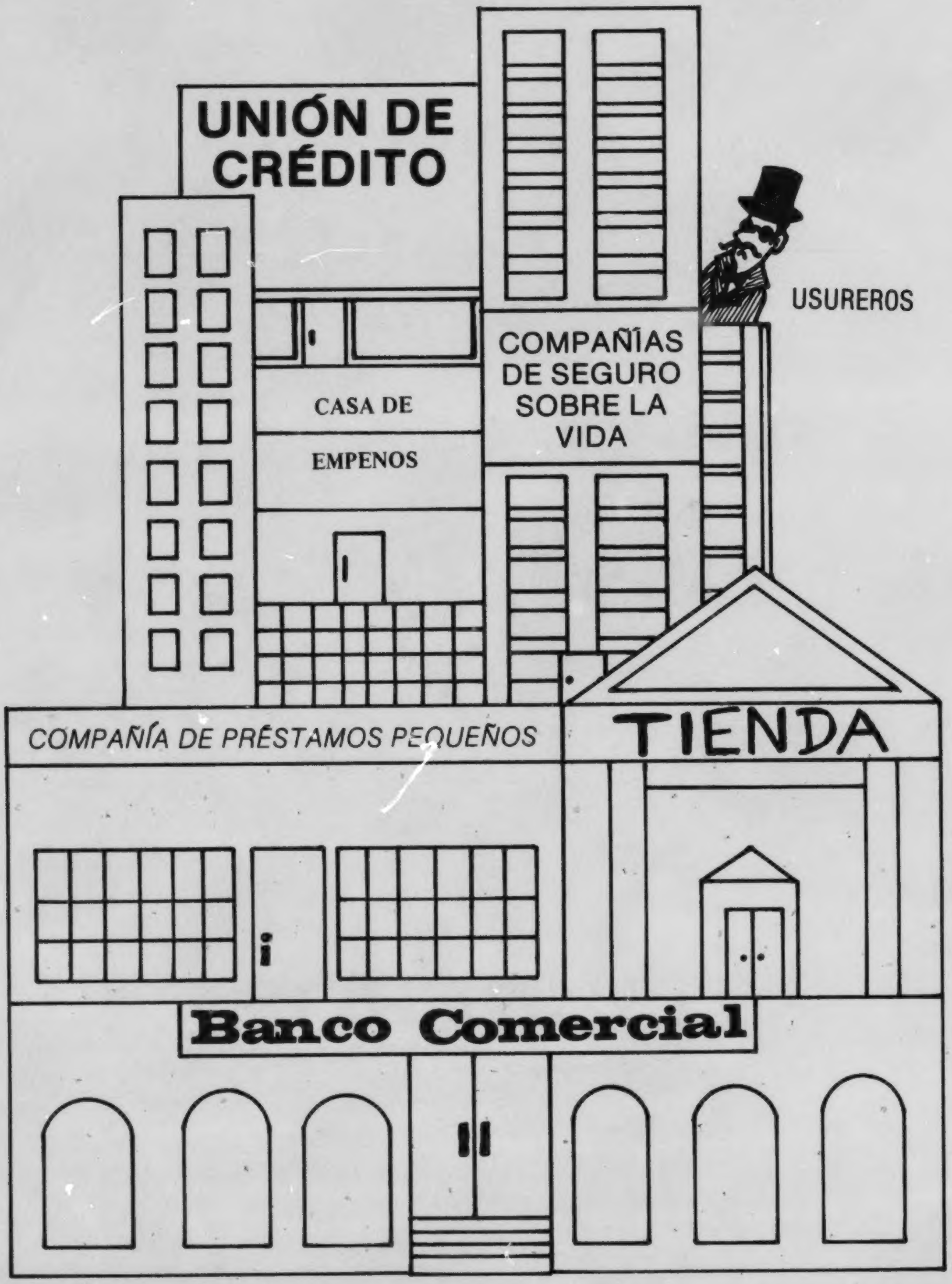
*Los McDonald reciben $111.00 de estampillas para comida cada mes. Los $64.00 representan la cantidad necesaria para suplementar las estampillas de la familia.

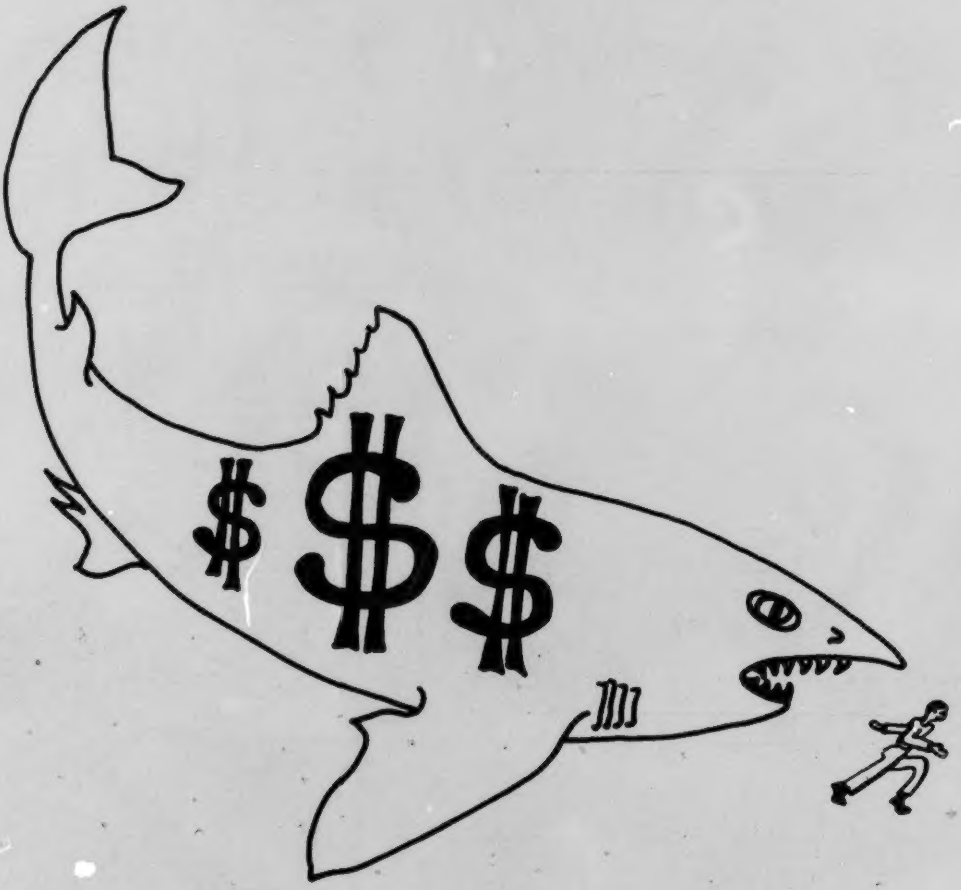
FUENTES DE CRÉDITO

(207)


UNIÓN DE CRÉDITO
USUREROS
CASA DE EMPENOS
COMPAÑÍAS DE SEGURO SOBRE LA VIDA
COMPAÑÍA DE PRÉSTAMOS PEQUEÑOS
TIENDA
Banco Comercial

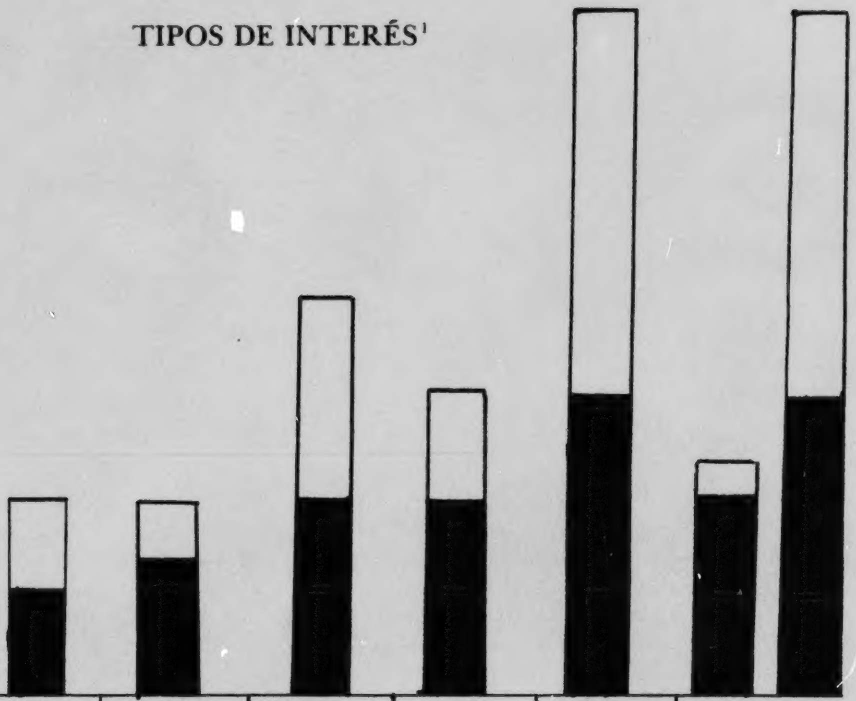
OJO CON

(208)



USUREROS

TIPOS DE INTERÉS[1]



Nivel de Interés Anual Actual	6-12%	8-12%	12-24%	12-18%	18-42%*	12-14% para un carro nuevo. 18-42% para un carro usado.
Total Anual de Interés	$3-6	$4-6	$6-12	$6-9	$9-12	$6-8 para un carro nuevo. $9-12 para un carro usado.
Nivel de Interés Indicado	1%	6%	1-2%	1-1½%	1½'3½%	6-7%
Cantidad Prestada	$100	$100	$100	$100	$100	$100
Institución	Unión de Crédito	Banco Comercial	Tiendas Grandes, Compras por Correo	Compras de Plazos	Compañías Pequeñas Licensiadas	Compañías Financieras

*Puede aumentar el costo inicial del artículo.

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[1] De Margolius, Sidney, *How To S-T-R-E-T-C-H Your M—O-N-E-Y; Modern Techniques of Management*. New York, New York: Public Affairs Pamphlet No. 302, 1960. pp. 20-21.

FUENTES DE CRÉDITO

(210)

John y Mary Smith han trabajado mucho para obtener buen crédito. Una vez, casi perdieron su posición de crédito poco después del nacimiento de Jennie, la segunda hija. John no pudo trabajar durante cuatro semanas en su trabajo de construcción por causa del invierno. John y Mary habían acabado de comprar una lavadora nueva y no pudieron pagar los plazos durante dos meses. John habló con la tienda para explicar lo que ocurrió. La tienda bajó los pagos durante la temporada de crisis. Los Smith guardaron su buen crédito y finalmente pagaron la lavadora totalmente.

John y Mary quisieron comprar una secadora de ropa. ¿Dónde deben buscar el crédito? ¿Cuál sería la fuente más barata?

El amigo de John Smith, Harry Turner, no tiene la buena suerte de John. Harry no tiene una buena historia de crédito. Harry y Betsy habían comprado $3000 de artículos en crédito. Esto incluyó muebles que compraron para la casa que rentaron porque su viejo apartamento era demasiado pequeño, un televisor, una lavadora, ropa y hasta juguetes para los niños cuando vino la Navidad. Poco después, Harry se cayó de una escalera y se lastimó la espalda. Durante cuatro meses no pudo trabajar. La familia tuvo que usar el "Welfare" (Bienestar Social), y no pudo pagar la gran cantidad de dinero que debía. Se escondieron de sus creditores hasta que les quitaran los muebles, el televisor y la lavadora. Harry trabaja ahora. Todavía, los Turner deben mucho dinero. No pueden pagar la cuenta del médico.

¿Dónde pueden Harry y Betsy obtener un préstamo para pagar sus deudas y reducir sus pagos mensuales? ¿Será el interés más o menos de lo que cubriría el banco?

Los vecinos de Harry, Manuel y María García, nunca han usado crédito. Siempre han pagado en efectivo o simplemente no compraron. Ahora su hijo, Roberto, quiere ir a una escuela vocacional. Manuel y María quieren que su hijo aprenda un oficio para que pueda obtener un buen puesto. Roberto puede trabajar de noche para ayudar con sus gastos.

Los García tienen algunos ahorros en la unión de crédito donde trabaja Manuel. No es bastante grande para pagar la escuela vocacional. Si los García usan sus ahorros, no tendrán nada para emergencias. Los García podrían obtener dinero del gobierno en un "Basic Opportunity Grant." El problema aquí es que, por causa de su solicitud tardía, el dinero no llegará a tiempo para el semestre escolar de Roberto. Es posible que los García puedan obtener un préstamo del gobierno que no tendrán que pagar hasta que se gradúe su hijo. Manuel y María deciden que tienen que pedir prestado.

¿Donde podrían los García pedir prestado para que su hijo pueda ir a la escuela vocacional? ¿Serían un buen riesgo?

VENTAS DE CRÉDITO

John y Jane Archer desean comprar un televisor para la familia. ¿Qué tipo de crédito de venta deben escoger?

Tom Armstrong quiere visitar a su madre en San Antonio durante las vacaciones de verano. No quiere llevar mucho dinero en su persona, pero tendrá que comprar gasolina por lo menos dos veces en el camino. ¿Qué tipo de crédito de venta puede utilizar?

El hijo de Mary Brown, Johnny, ahora es demasiado grande para su abrigo de invierno del año pasado. María había creído que podría usar el abrigo por lo menos un año más. Por eso, no apartó el dinero para comprar un abrigo nuevo. ¿Qué tipo de crédito de ventas puede Mary utilizar para que pueda comprar el abrigo a plazos mientras que Johnny lo usa?

La Sra. Carpenter ha hallado un abrigo en venta que sería perfecto para su marido. El Sr. Carpenter no va a necesitar el abrigo por algunos meses, y la Sra. Carpenter no sabe si puede pagar a plazos. ¿Qué tipo de crédito de ventas puede utilizar para que el Sr. Carpenter pueda tener el abrigo a la llegada del invierno?

CRÉDITO DE EFECTIVO

Durante algunas estaciones del año, Kenneth Davis trabaja en un rancho. A veces, su familia tiene mucho dinero, otras veces tiene muy poco. Kenneth tiene que ir a su trabajo en carro, pero su carro viejo no va a durar por mucho tiempo sin reparaciones extensivas. Finalmente, decidió comprar un carro usado. ¿Qué clase de préstamo sería mejor para Kenneth?

La familia Evens es demasiado grande para su apartamento pequeño. Han decidido que quieren comprar una casa para que sus hijos tengan un lugar para jugar. Han ahorrado bastante para un pago inicial modesto. ¿Qué clase de préstamo deben usar para pagar el precio total de la casa?

Ellen Fry necesita una operación que costará más de lo que tiene en su pequeña cuenta de ahorros. Stanley tiene un trabajo permanente, pero le queda muy poco dinero después de pagar sus cuentas cada mes. ¿Qué clase de préstamo deben los Fry Fry pedir para la operación?

SERVICIO DE CRÉDITO

Jesse González se jacta de que nunca usa crédito de ninguna clase. ¿Qué tipo de crédito puede Jesse utilizar sin saberlo?

RESPONSIBILIDADES DE CREDITORES Y DE LOS QUE USAN CRÉDITO (Hoja para Repartir)

Responsabilidades de él que usa crédito:

1) No pida prestado si no tiene que hacerlo.

2) Piense en su condición económica y esté seguro de que pueda pagar lo que debe antes de firmar un contrato de crédito.

3) Sepa lo que cuesta el interés antes de pedir prestado.

4) Busque el porcentaje anual mínimo en su préstamo.

5) Compare el costo del interés con otras cosas que podría hacer con el dinero.

6) No permita que el crédito fácil le haga comprar cosas que no necesita.

7) Pida prestado la cantidad mínima que necesita, no pida la cantidad máxima que el creditor permite.

8) Comprenda lo que está haciendo y lo que firma. Lea su contrato y esté seguro de que lo entiende.

9) Cumpla con su promesa cuando firma un contrato de crédito.

10) Pague cuando el contrato lo exige.

11) Informe a su creditor si, por cualquier razón, no puede pagar a tiempo.

12) Pague la multa para pagar tarde que exige el contrato.

13) Acepte la multa si no cumple con las estipulaciones del contrato.

Responsabilidades del Creditor:

1) Examine la capacidad y deseo del cliente para pagar antes de dar crédito.

2) Escriba los términos de crédito claramente y correctamente según las leyes que controlan el uso de crédito.

3) Escriba todos los términos de crédito antes de firmar el contrato.

4) Dé una copia del contrato al cliente.

5) Acepte pago temprano y regrese el interés que se aplica a los pagos tempranos según la ley.

6) Regrese el dinero al cliente si ha pagado demasiado o si hay de sobra después de la venta de bienes.

LEY PARA LA PROTECCIÓN DE CONSUMIDORES
(Hoja para Repartir)

(213)

Acto "Truth in Lending"—(1969) El propósito de esta ley es dar a los consumidores un método para comparar el costo de crédito en varias compañías. El acto afirma:

1) El costo de finanzas y el porcentaje anual deben estar explicados en las solicitudes usadas por el que pide prestado.

2) La propaganda de los términos de crédito. Si un negocio quiere hacer hincapié en un aspecto de crédito en su propaganda, como, por ejemplo, un pago inicial muy bajo, tiene que mencionar los demás términos importantes, como la cantidad de los pagos que siguen. Esta parte de la ley exige que reciba Ud. toda la información necesaria, lo que le ayudará en hacer su decisión.

3) Que le protege contra el uso ilegal de su tarjeta de crédito por otras personas. Si pierde sus tarjetas de crédito, lo máximo que tiene que pagar para el uso de otra persona es $50. Ud. tiene la culpa de cargos hechos solamente antes de que notifica la compañía de la pérdida de su tarjeta. Ud. no tiene la culpa de cargos hechos después de notificar la compañía.

4) Que los creditores no pueden mandarle una tarjeta de crédito sin su permiso. Sin embargo, un creditor puede mandarle una tarjeta nueva para reemplazar una tarjeta vieja.

5) El consumidor puede cancelar su crédito, dentro de tres días si usa su casa como fianza. Esto ocurre frequentemente cuando se hacen reparaciones de casa mayores o cuando acepta una " hipoteca segunda." El creditor tiene que darle una notificación de su derecho de cancelar, y si decide cancelar la transacción, Ud. tiene que notificar al creditor por carta. Cuando Ud. tiene el derecho de cancelar, un contratista no puede empezar su trabajo antes de un plazo de tres días. Ud. puede renunciar a su derecho de cancelar y empezar el trabajo antes de un plazo de tres días, si notifica al contratista que Ud. tiene una emergencia financiera y necesita el crédito de inmediato para evitar peligro a Ud. y, a su familia o a sus bienes. El derecho de cancelar no se aplica a la primera hipoteca usada para comprar su casa.

Acto de "Fair Credit Billings"—(1975) Este acto ha brindado derechos nuevos a los que usan el crédito y ha dado límites en lo que los creditores pueden cobrar. El acto afirma:

1) Que las cuentas tienen que estar en el correo no menos de 14 días antes de la fecha cuando el cliente tiene que pagar.

2) Los clientes que hallan errores en sus cuentas deben notificar a sus creditores dentre de 60 días después de recibir la cuenta. En su turno, el creditor tiene que mandarle una carta dentro de 30 días, informándole que han recibido su carta. Durante el tiempo que el creditor está verificando su cuenta, el consumidor no tiene que pagar la cuenta y no tiene que pagar multas.

3) Permite a los comerciantes al por menor o a gente que vende bienes o servicios, dar descuentos hasta 5% para una compra hecha en efectivo. Descuentos son reducciones del precio normal de un artículo o de un servicio. Los comerciantes al por menor que hacen esto deben explicar esto en una carta. (214)

Acto de "Fair Credit Reporting"—(1971) Este acto da al consumidor el derecho de saber que información sobre su crédito está en su archivo en el registro de crédito Un registro de crédito es una organización que colecciona y archiva información sobre el crédito de consumidores individuales y da esta información a creditores y otros hombres de negocios para uso confidencial cuando ofrecen crédito. El acto afirma:

1) El consumidor tiene el derecho de corregir cualquier error que exista en los archivos.

2) El consumidor tiene control parcial sobre el acceso a la información en su archiva en el registro de crédito.

Acto "Equal Credit Opportunity—(1975) Este acto prohibe la discriminación basada en el sexo o si la persona es casada o no. El acto:

1) Facilita el proceso de obtener crédito para mujeres sin la firma del esposo. El acto también se dirige a mujeres sin esposo.

2) En 1977 el acto prohibió la discriminación basada en la raza, el color, la religión, el origen nacional, la edad o porque todos los ingresos del cliente vienen de la asistencia pública.

3) Es posible que pronto tengamos una ley que prohibe que los "registros de crédito automáticamente la historia de crédito de la esposa a la del esposo. Esto ayudará en los casos donde una persona divorciada no puede obtener crédito por causa de abusos de crédito hechos por el esposo.

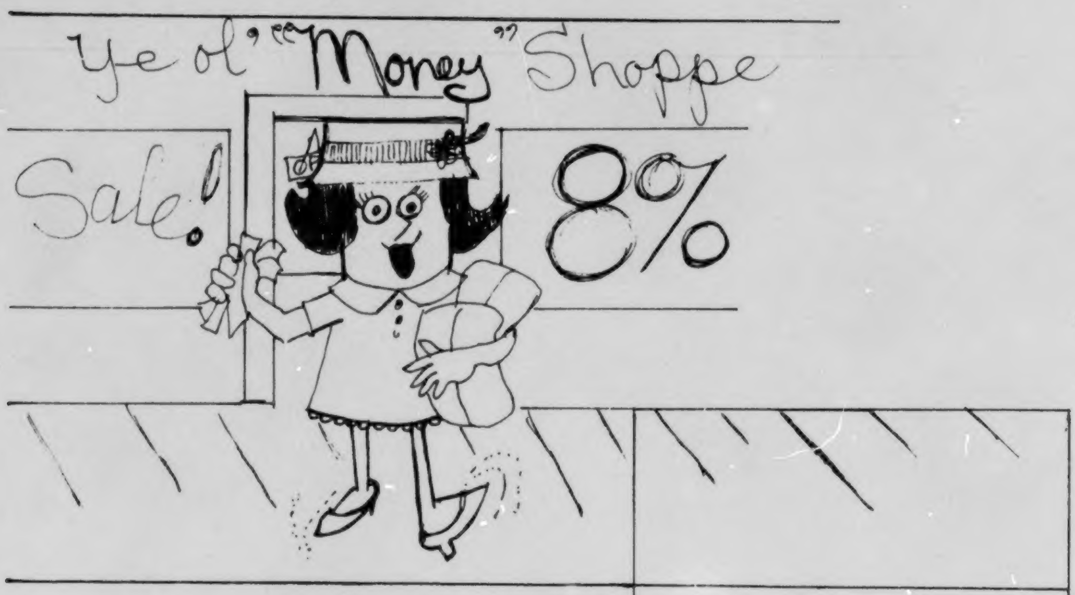
Holder-in-Due-Course—(1976) Este acto asegura que un creditor—el que tiene un contrato de crédito—sea responsable de los servicios o de los artículos que Ud. compró. El acto afirma:

1) Muchas veces se venden los papeles de crédito a una tercera mano que es responsable de coleccionar los pagos que se deben. Un ejemplo de esto es cuando compra un coche usado y el vendedor le da su crédito en lugar de ir a un banco. El vendedor en su turno, vende su nota a un banco. Hasta muy recientemente, el consumidor que debe dinero se halló puesto entre el vendedor y el creditor presente, con los dos rechazando la responsabilidad de cualquier defecto en el producto.

2) El vendedor original tiene más responsabilidad y también el comprador de papeles de crédito para cumplir con la garantía del producto.

Acto de "Fair Collection Practices"—(1978) Este acto protege a la persona que tiene deudas de las amenazas del creditor. El acto dice: (215)

1) Incluye deudas de familias y de viviendas como dinero debido para un coche, cuido médico o cuentas de cargo.
2) Un colector de deudas es cualquier persona, excepto el creditor o un abogado, que colecciona deudas de otros.
3) El acto dice que un colector de deudas puede visitarle en persona, por correo, teléfono o telegrama. Sin embargo, no puede ser a horas incómodas o en lugares incomódos como antes de las ocho de la mañana o después de las nueve en la noche, excepto con su permiso.
4) Un colector de deudas no puede visitarle en su trabajo si su patrón no está de acuerdo. Un colector de deudas puede contactar a cualquier persona para localizarle. Sin embargo, ellos sólo pueden notificar a la persona que el propósito es localizarle a Ud. No pueden decir que debe dinero.
5) Dentro de 5 días después de localizarle, el colector de deudas tiene que mandarle una noticia escrita informándole de la cantidad de dinero que debe, y el nombre del creditor a quien debe dinero, y qué hacer si Ud. cree que no debe el dinero.
6) El colector de deudas no puede contactarle si Ud. manda una carta dentro de 30 días después de su primera notificación, afirmando que no debe el dinero.
   Sin embargo, el colector de deudas puede empezar sus esfuerzos para coleccionar la deuda de nuevo si le manda a Ud. la prueba de la deuda (como una copia de la factura).



¿Buscando a Comprar Dinero?

Estas son algunas de las fuentes de crédito. Ponga un círculo en las que ha utilizado.

- Banco
- Compañía Financiera
- Compañía de Préstamos Pequeños
- Compañía de "Savings and Loan"
- Unión de Crédito
- Tarjeta de Crédito
- Tienda
- Casa de Empeños
- Préstamo Illegal
- Amigo o Pariente
- Seguro sobre la Vida

Escriba una compra importante que va a hacer el año que viene_______________
¿Cómo puede utilizar el crédito para comprar este artículo?

____

____

____

LO QUE SIGNIFICA UNA PROMESA

Personajes: Mary
Sally

Lugar: La cocina de Sally—Sally hace un pastel. Está muy ocupada. Mary toca.

Sally: (Va a la puerta) ¡Entra, Mary!

Mary: Gracias, Sally. ¡Ay, no sé qué hacer!

Sally: ¿Por qué? ¿Qué pasó, Mary?

Mary: (Casi llorando) ¡Es la compañía de finanzas! Van a quitarnos los muebles.

Sally: ¿Por qué, Mary? ¿No hiciste tu pago este mes?

Mary: Pues, no. Porque mi hijo Bobby necesitó un abrigo nuevo. Su abrigo viejo era demasiado pequeño, y Cindy necesitó zapatos nuevos. Entonces, no me quedó bastante para pagar el plazo de los muebles.

Sally: ¿Qué pasó el mes pasado?

Mary: Pues..., no. Creo que tampoco pagamos el plazo del mes pasado.

Sally: ¿No fue el mes pasado que Bob compró un revólver nuevo para cazar?

Mary: Sí. Lástima que no hayamos guardado aquel dinero para hacer los dos pagos.

Sally: Cuando tú y Bob pidieron prestado el dinero para los muebles, prometieron pagar el dinero, Mary. Si no pagan los plazos una vez al mes como prometieron, la compañía de finanzas tiene el derecho de quitarles los muebles. En efecto, creo que está escrito en el contrato que firmaron.

Mary: ¿Y qué pasa con el dinero que ya pagamos? ¿Nos lo devuelven?

Sally: No. No les van a devolver el dinero.

Mary: ¿Qué van a hacer con los muebles?

Sally: Van a venderlos en una subasta. Si esto es verdad, no va a darles la cantidad de dinero que todavía debes.

Mary: ¿Quieres decir que todavía debemos el dinero aunque no tengamos los muebles?

Sally: Sí, tienes que pagar todo aunque no tengas los muebles.

Mary: ¿Qué haremos sin muebles? Tendremos dos veces más plazos que pagar de lo que tenemos ahora si nos quitan los muebles y tenemos que comprar de nuevo.

Sally: Y hay una cosa peor, Mary. Si les quitan los muebles, será mucho más
difícil obtener crédito la próxima vez que lo necesitas. Si tratas de comprar (222)
muebles nuevos en crédito, tendrás que pagar más interés o tal vez no
podrás obtener crédito.

Mary: ¡No es justo!

Sally: ¡Sí, es Mary! Prometieron pagar el dinero que deben por los muebles. Si no lo hacen, tú y Bob tendrán que aceptar loque ocurra.

Mary: Oh, Sally, ¿qué podemos hacer?

Sally: Tal vez puedes hablar con la gente de la compañía de finanzas. Pueden darles una segunda oportunidad. Pero, si lo haces, no pueden faltar otro plazo o van a perder sus muebles de seguro. Por lo menos, debes hacer el esfuerzo de hablar con ellos.

Mary: Sí. Tienes razón. Haré todo lo posible para guedarme con mis muebles. Ahorita voy a casa para platicar con Bob. Tal vez podremos ir a la compañía de finanzas para hablar con ellos esta tarde.

Sally: Bueno, Mary, y ¡buena suerte!

Mary: Adios. Te digo lo que pasó en la mañana. Gracias.

Sally: Adios, Mary.

USANDO CRÉDITO
(Casos para Estudiar)

LOS GASTOS INESPERADOS CREAN PROBLEMAS

La familia Valdez es una familia grande. Hay cinco niños, y con tantos hijos, uno de ellos siempre necesita algo. Esta semana, María, en su último año de la escuela secundaria, necesita un vestido para el baile de graduación. Los Valdez han ahorrado dinero para el vestido, pero la semana pasada, Antonio sufrió de un dolor de muelas y tuvo que ir con el dentista. La sra. Valdez no sabe qué hacer para el vestido de María, y no quiere que María pierda el baile. Un vestido barato costará no menos de $35, y el dentista pidió que Antonio regresara en dos semanas. Si compra el vestido en crédito, tendrá que pagar la cuenta la misma semana—y en aquel caso no podrá ahorrar bastante dinero para pagar al dentista también.

NO SE PUEDE REPARAR

El calentador de agua de los Sneed no funciona. El hombre que hace las reparaciones dice que no puede arreglarlo. Por eso, tienen que comprar un calentador de inmediato. Los Sneed tuvieron que usar todos sus ahorros para curar una enfermedad en la familia el mes pasado. Si gastan lo que resta de sus ahorros para un calentador, tendrán sólo unos lo que resta de sus ahorros para un calentador, tendrán sólo unos dólares si hay otra emergencia. Si usan crédito, probablemente tendrán que pagar mucho interés porque han tenido problemas con el crédito en el pasado.

REPARAR O NO REPARAR

Joseph y Anna Patterson tienen un coche viejo que no funciona bien. Quisieran comprar otro que tenga sólo tres o cuatro años. Han ahorrado $300 para la compra. Quieren pagar en efectivo. Hoy, el coche viejo se paró otra vez. El mecánico dice que la reparación costará $100. Esto representa una tercera parte de los ahorros de los Patterson. No creen que las reparaciones agregarán $50 al valor del coche viejo. Puesto que los Patterson no tienen otros ahorros, se preocupan por que no tienen dinero en caso de emergencias. Además, el trabajo de Joseph es irregular, entonces, es posible que no tendrán el dinero para reparaciones cada mes.

LA COMPRA A PLAZOS DE LOS ARNOLD

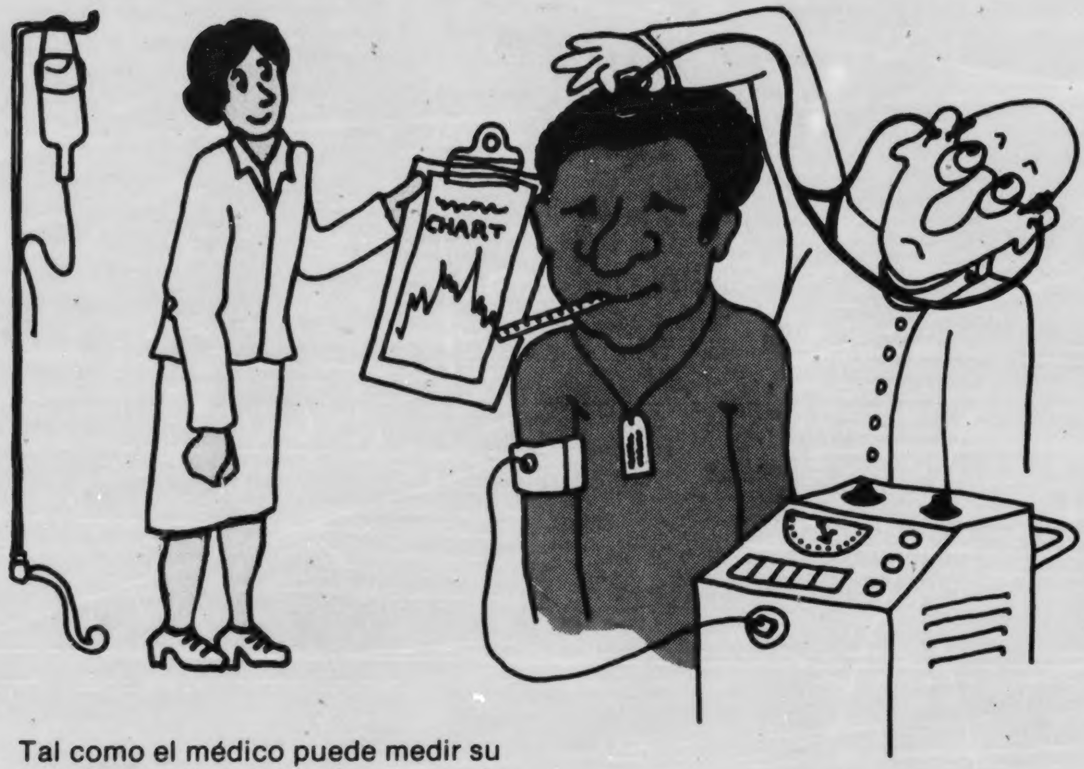
La familia de Howard Arnold creía que era muy bien comprar a plazos. Les permitió comprar los últimos modelos en estufas después de casarse. Algunos meses más tarde, Helen estaba embarazada y tuvo que despedirse de su trabajo. Habían pagado la mitad del valor de la estufa. Sin dificultad, obtuvieron el crédito para comprar un refrigerador y todo lo que quisieron para el niño. Entonces, aprendieron que necesitaban ropa y utinsilios de casa. Abrieron cuentas en las tiendas. Decidieron que necesitaban un televisor nuevo, y pagaban solamente $15.50 al mes. No hay nada de mal en esto. Después del nacimiento del niño, los Arnold decidieron comprar una casa nueva con una hipoteca de $24,000. Por causa de unas emergencias y los costos del médico, Los Arnold tuvieron que obtener un préstamo de una compañía de finanzas para pagar los gastos. Con tantas cuentas que pagan tarde, los Arnold examinaron su situación x económica. Tenían deudas de $4,000, no incluyendo la hipoteca. Ahora, Helen espera a un segundo hijo, y por eso no puede trabajar, entonces, decidieron vender la casa. ¡Pero, nadie quiso comprar! Finalmente, los Arnold perdieron la casa al banco cuando no pudierno pagar la hipoteca. Hicieron bancarrota. (224)

COMPRANDO A PLAZOS Y DESPUÉS

Sra. Horace Cooper, 59 años de edad, es una viuda que usa "welfare" (bienestar). Tuvo dificultad en obtener crédito de una compañía de finanzas cuando decidió comprar un televisor. Decidió comprar menos comida para pagar el televisor. Un día, un vendedor convenció a la sra. Cooper que necesitaba cazuelas nuevas al costo de $5 por semana. Lo que no supó la sra. Cooper fue que las cazuelas costaron $49.50 y el interés fue 30%. Necesitaba mucho tiempo para pagar las cazuelas. Por el momento, todo estaba bien. Pues, la sra. Cooper se enfermó. Fue con el médico en la clínica gratis, pero tuvo que pagar mucho para la medicina que necesitaba. No pudo pagar la t. v. ya se la quitaron cuando ella había pagado 3/4 del precio. También se le quitaron las cazuelas. La sra. Cooper tuvo un gran alivio cuando pensó que no tuvo que pagar más. Entonces, aprendió que a pesar de la reposesión tuvo que pagar las cazuelas y la t.v.

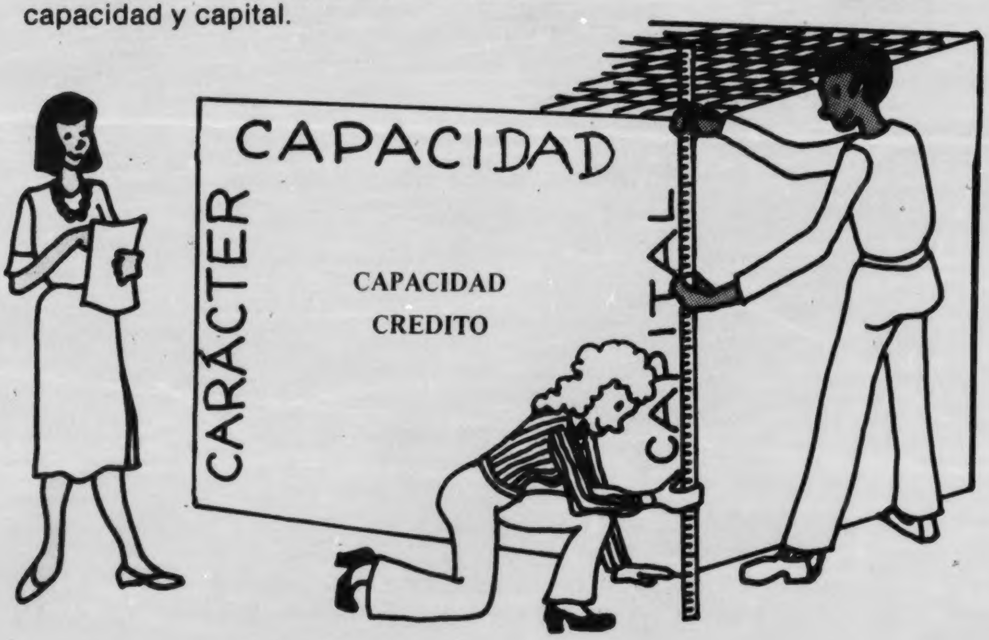
LOS JOHNSON CONSIGUEN LO QUE NECESITAN

Jerry y Joan Johnson tienen mucho cuidado cuando usan crédito. Lo usan solamente para comprar cosas grandes que realmente necesitan. Buscan los términos de crédito más baratos. Hasta ahora, los Johnson han usado crédito para comprar un coche, un refrigerador, y una estufa. Pagaron todo antes de comprar otra cosa. Hoy hacen el último pago de la estufa. Tienen una cuenta de ahorros pequeña para emergencias que ocurren, y por eso nunca pagan tarde lo que deben. Les queda un poco de dinero a fines de cada mes porque compran sólo una cosa en crédito a la vez. Nunca tienen que omitir necesidades para pagar sus plazos de crédito. El próximo mes, los Johnson tendrán bastante dinero ahorrado para hacer el pago inicial de una lavadora. Así, no tendrán que pagar mucho interés. Puesto que la sra. Johnson va a tener un hijo, van a necesitar la lavadora.

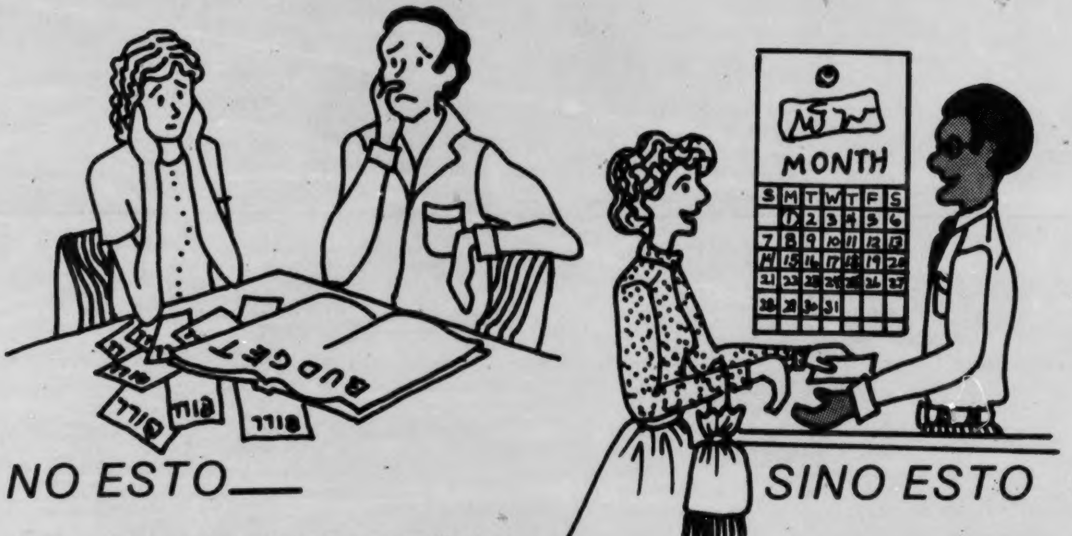


Tal como el médico puede medir su estado de salud por indicaciones de temperatura, pulso, y presión arterial...

...así Ud. puede medir su capacidad de crédito por indicaciones de carácter, capacidad y capital.

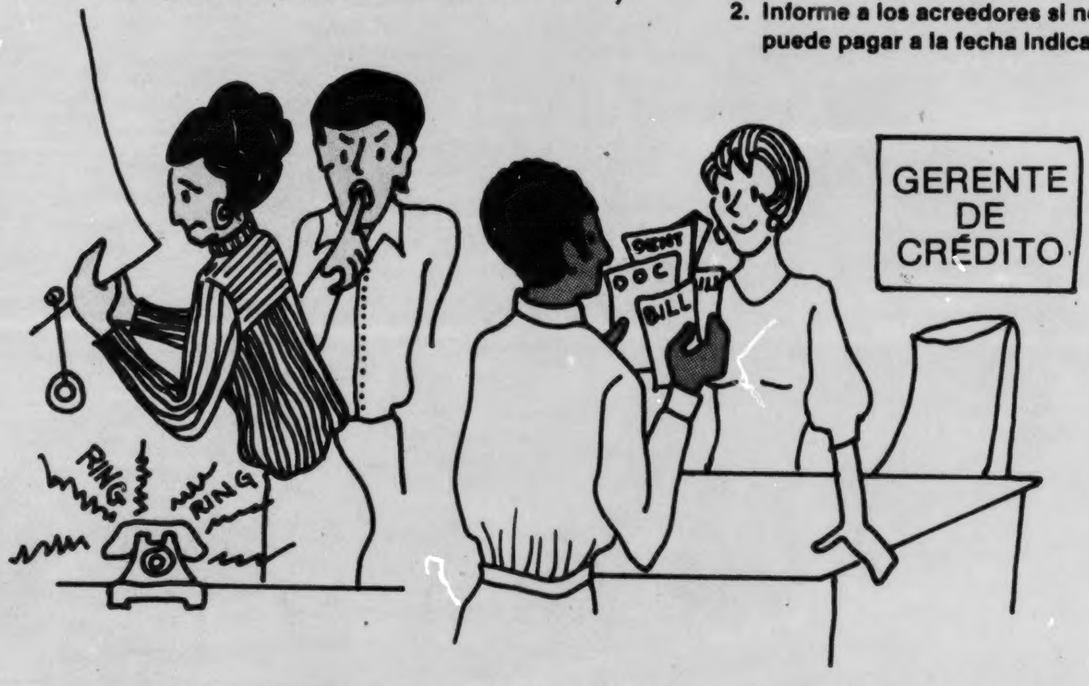

CAPACIDAD
CARÁCTER
CAPITAL
CAPACIDAD
CREDITO

PARA PROTEGER SU RANGO DE CRÉDITO—


BUDGET
BILL
BILL
BILL
MONTH
S M T W T F S
NO ESTO—
SINO ESTO

1. **Cumpla con la promesa de pago a tiempo.**

2. **Informe a los acreedores si no puede pagar a la fecha indicada.**


RING
RING
DEBT
DOC
BILL
GERENTE DE CRÉDITO

3. Indique a los acreedores las razones por no poder pagar. Por lo general se puede formar algún otro arreglo.

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EXEMPLO DE UNA SOLICITUD DE CRÉDITO

NOMBRE ____________________ FECHA __________

NO. DE DEPENDIENTES ______ NO. DE SEGURIDAD SOCIAL __________ FECHA DE NACIMIENTO __________

DIRECCIÓN (CALLE, CIUDAD, CONDADO, ESTADO) ____________________ ¿CUÁNTO TIEMPO VIVIÓ AQUÍ? __________

NO. DE TELÉFONO __________ ¿VIVE CON PADRES? SÍ ___ NO ___ ¿TIENE UNA CASA? __________ RENTA __________

TÍTULO DE CASA EN NOMBRE DE __________ DIRECCIÓN DE HIPOTECARIO O DUENO DE CASA __________

DIRECCIÓN PREVIA __________ ¿CUÁNTO TIEMPO? __________

UN PARIENTE __________ RELACIÓN __________

PATRÓN ______ NO. DE TELÉFONO ______ ¿CUANDO EMPEZÓ EL TRABAJO? __________

DIRECCIÓN __________ POSICIÓN __________

PERMANENTE ____ TEMPORARIO ____ ¿8 HORAS AL DÍA? ____ SALARIO $ ______

PATRÓN PREVIO __________ ¿CUÁNTO TIEMPO? __________

DIRECCIÓN __________ POSICIÓN __________

SALARIO INICIAL $ ____ SALARIO ÚLTIMO $ ____ ¿POR QUÉ SE DESPIDIÓ? __________

BANCO __________ DIRECCIÓN __________ CHEQUES $ __________

CANTIDAD DE PRÉSTAMO $ ____ NO. DE PAGOS ____ DE $ ______ AL MES AHORROS __________

PRÉSTAMO DE COCHE ______ CANTIDAD $ ______ PAGO $ __________

OTROS PLAZOS ______ CANTIDAD $ ______ PAGO $ __________

CANTIDAD $ ______ PAGO $ __________

CUENTAS EN TIENDAS __________ CANTIDAD $ __________

__________ CANTIDAD $ __________

REFERENCIAS PERSONALES ______ ¿CUÁNTO TIEMPO CONOCIDO? ______

LO QUE PRECEDE ES UNA CUENTA VERÍDICA DE MI CONDICIÓN ECONÓMICA

FIRMA __________ FECHA __________

¿CUÁNTO CUESTA EL CRÉDITO?

Direcciones para hacer el cartel: Para hacer el cartel, escriba cada frase en el cartel. Ponga las palabras a la derecha del cartel y ponga un círculo en la contestación correcta. Cubra las contestaciones con pedazos de papel. Escriba las palabras a la derecha de cada pregunta en el pedazo de papel , dejando espacio a la derecha de cada palabra para marcar el número de estudiantes que escogen la contestación.

1.	¿Aumenta el crédito el precio de lo que compra?	Sí	No
2.	¿Cuesta el crédito igual en todas partes?	Sí	No
3.	Si Ud. hace un pago inicial más grande ¿serán sus plazos más grandes o más pequeños?	Más Grandes	Más Pequeños
4.	Si Ud. hace un pago inicial pequeño, ¿pagara más interes o menos interes?	Más	Menos
5.	Si Ud. paga su factura en 24 meses, ¿su crédito costará más o menos de un plazo de 12 meses?	Más	menos

¿CUÁNTO CUESTA USAR EL CRÉDITO?[1]

Emplee este ejemplo para aprender como computar el costo de crédito en dólares. Ud. desea comprar un refrigerador de cierto tamaño. Costará $400 (más impuestos) si paga en efectivo. Quiere hacer un pago inicial de $40. Ud. promete hacer 18 pagos mensuales de $26.30 cada uno.

Paso 1
Multiplique la cantidad de cada plazo por el número de plazos.

$$\begin{array}{r} \$26.30 \\ \times\ 18 \\ \hline 21040 \\ 2630 \\ \hline \$473.40 \end{array}$$

Paso 2
Sume los demás cargos y su pago inicial con su contestación. Esto le da la cantidad total que pagará.

$$\begin{array}{r} \$473.40 \\ +40.00 \\ \hline \$513.40 \end{array}$$

Paso 3
Reste el precio en efectivo del precio "a plazos."

$$\begin{array}{r} \$513.40 \\ -400.00 \\ \hline \$113.40 \end{array}$$

Compute el costo de comprar en crédito una secadora nueva que cuesta $188 en efectivo con un pago mensual de $10. Los pagos mensuales son de $9.75 para 24 meses.

($9.75 + 24 = 234.00 + $10.00 = $244.00 − $198.00 = $46.00)

Compute el costo de comprar en crédito un televisor con un precio en efectivo de $250 y un pago inicial de $25. Habrá 11 plazos mensuales de $20.60 y un pago de $20.90.

(11 + $20.60 = $226.60 + $20.90 = $247.50 + $25.00 = $272.50 − $250.00 = $22.50)

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[1] De *How to Figure the Dollar Cost of Credit.* Washington, D.C.: U.S. Government Printing Office, April, 1968.

¿CUÁNTO CUESTA USAR EL CRÉDITO?[1]

(235)

Paso 1
Multiplique la cantidad de cada plazo por el número de plazos

$
+ ______
$

Paso 2
Sume los demás cargos y el pago inicial a su contestación. Esto le da la cantidad total que va a pagar.

$
+ ______
$

Paso 3
Reste el precio en efectivo del precio "a plazos."

$
− ______

Esto es lo que le costará comprar a plazos.

$

---

[1] De *How to Figure the Dollar Cost of Credit.* Washington, D.C.: U.S. Government Printing Office, April, 1968.

LOS WALTERS QUIEREN *COMPRAR* DINERO

La familia Walters compra un televisor nuevo. Han decidido usar crédito para la compra. Después de mirar los precios de los televisores en varias tiendas, decidieron comprar uno que tiene un precio en efectivo de $310. Ahora van a "comprar" dinero para el televisor. Van a buscar crédito como buscaban el televisor. Primero, se informaron en la tienda del plan de crédito. El vendedor les dice que pueden comprar el televisor con uno de dos planes. El primero se llama cuenta abierta de 90 días. Con este plan, los Walters harían un pago inicial de $31 y pagarían lo demás en tres meses. Los plazos serían de $93 cada mes por tres meses. NO hay otros cargos y no cobran interés en las cuentas de tres meses. (Use una diapositiva, pizarra o esquema para ayudar a los estudiantes mientras computan el costo.)

La tienda tiene también un *plan de crédito a plazos*. Si los Walters hacen un pago inicial de $31 pueden pagar a plazos de $18.60 por 18 meses. No hay otros cargos y hay un *porcentaje anual* de 20%. Los Walters agradecieron al vendedor y le dijeron que querían buscar un poco más antes de decidir de donde conseguir el el dinero para el televisor. (Permita tiempo para que los participantes computen los costos.)

Los Walters decidieron que, puesto que tenían el dinero, harían el pago inicial de $31 para el televisor.

En seguida, fueron al banco donde pidieron informes sobre un préstamo de $279. El banquero les dijo que pudieron pedir prestado $279 y pagar el préstamo en 12 pagos mensuales de $26.27. El *porcentaje anual* del banco es 13%. (Permita tiempo para que los participantes puedan computar el costo del crédito.)

Los Walters pidieron informes también en una compañía de finanzas sobre un préstamo de $279. Aprendieron que para conseguir el préstamo, tendrían que hacer un pago inicial a la compañía de finanzas de $14.24. Pagarían lo que quedó del préstamo en plazos mensuales de $13.59 por 24 meses. El *porcentaje anual* es 22%. (Permita tiempo para que los participantes puedan computar el costo del crédito.)

Los Walters investigaron también una compañía de préstamos pequeños. Para obtener $279 aquí, tendrían que hacer un pago inicial de $29.16. Pagarían plazos mensuales de $29.17 por 12 meses. El porcentaje anual en la compañía de préstamos pequeños es 35.9%. (Permita tiempo para que los participantes puedan computar el costo del crédito.)

Ahora, los Walters tienen que decidir cual fuente usarán para obtener el dinero para el televisor. Ud. puede ayudarlos si contesta las preguntas siguientes:

1. ¿Cuál fuente cobra el interés máximo? ¿el mínimo? ¿sin interés?
2. ¿En qué fuente es el costo del crédito más caro en dólares? y ¿menos caro?
3. Si los Walters tienen bastante dinero para pagar plazos mensuales grandes ¿cuál sería la fuente de crédito más barata?

4. Si los Walters no pueden pagar plazos mensuales grandes, ¿cuál sería la fuente de crédito más barata?
5. Si los Walters no tienen una buena historia de crédito, es posible que no puedan obtener crédito en las primeras tres fuentes. ¿Cuál sería la fuente más barata que les queda?
6. Las dos últimas fuentes de crédito exigen un pago inicial para obtener el préstamo. Si los Walters no pueden pagar los $31 de pago inicial a la tienda y el pago inicial del préstamo ¿qué podrían hacer? (No hacer el pago inicial a la tienda o pedir prestado más dinero.) Si tienen que pedir prestado más de $275, ¿esto aumentará el costo del televisor? (Sí, por que tendrán que pagar más interés.)
7. Los pagos iniciales de todas las fuentes de crédito excepto la primera, son más o menos iguales. ¿En cuál fuente es el costo de crédito en dólares más barato? ¿Más caro?

LOS MCALISTER NECESITAN PLATOS NUEVOS

Los McAlister quieren comprar platos nuevos y una batería de cocina. Están investigando el costo de diversas formas de crédito. El costo de la batería de cocina en efectivo es $225. No tienen que hacer un pago inicial. Los McAlister usan el plan de comprar a plazos en la tienda, y tendrán plazos de $20.62 al mes por 12 meses. Pagarán 18.5% de interés anual.

Si consiguen en préstamo del banco de $225 por un año, tendrían que pagar $20.25 al mes. El interés es 14.7%.

El sr. McAlister es miembro de la unión de crédito donde trabaja. Podría conseguir un préstamo de $225 allí y pagar $20 por mes en 12 plazos. El porcentaje anual es 12.3%.

La familia podría conseguir un préstamo de una compañía de finanzas con un interés de 32%. Pagarían $22 al mes por un año.

UNA CASA PARA LOS JOHNSON

Los Johnson están comprando una casa. La casa les costará $26,000. Los Johnson han ahorrado $2,000 para un pago inicial. En varios bancos han aprendido la información siguiente sobre una hipoteca de $24,000.

Banco I.	Hipoteca de 20 años con interés de 9¾. Tendrían pagos mensuales de $256.79. Hipoteca de 30 años con interés de 9¾. Tendrían pagos mensuales de $238.92.
Banco II.	Hipoteca de 20 años con interés de 10%. Tendrían pagos mensuales de $260.09. Hipoteca de 30 años con interés de 10%. Tendrían pagos mensuales de $243.58.

Suponga que no hay otros cargos.

COMPARACIÓN DEL COSTO DE CRÉDITO PARA UN TELEVISOR

Prestador	Manera de pagar	Núm. de pagos	X Cantidad de pagos	+ Otros Cargos	= Cantidad total a pagar	+ Cantidad de pago inicial	= Total Pagado	− Precio en efectivo	= Costo de crédito en dólares	Porcentaje Anual
Tienda	Cuenta abierta de 90 días	3	× $93.00	+ 0	= $279.00	+ $31.00	= $310.00	− $310.00	= 0	
Tienda	Crédito a plazos	18	× $18.05	+ 0	= $344.80	+ $31.00	= $365.80	− $310.00	= $55.80	20%
Banco	Préstamo de crédito	12	× $26.27	+ 0	= $315.24	+ $31.00 a la tienda	= $346.24	− $310.00	= $36.24	13%
Compañía de Finanzas	Préstamo de crédito	24	× $13.59	+ 0	= $326.16	+ $31.00 a la tienda $14.24 a la compañía	= $371.40	− $310.00	= $61.40	22%
Compañía de Préstamos Pequeños	Préstamo de crédito	12	× $26.17	+ 0	= $350.04	+ $31.00 a la tienda $29.16 a la compañía	= $410.20	− $310.00	= $100.20	35.9%

(Variaciones en el costo de crédito para comprar un televisor con valor en efectivo de $310.00)

COMPARACIONES DEL COSTO DE CRÉDITO PARA UN JUEGO DE COCINA

Prestador	Manera de pagar	Núm. de pagos	X	Cantidad de pagos	+	Otros cargos	=	Cantidad total a pagar	+	Cantidad de pago inicial	=	Total pagado	−	Precio en efectivo	=	Costo de crédito en dólares	Porcentaje Anual
Tienda	Crédito a plazos	12	X	$20.62	+	0	=	$247.44	+	0	=	$247.44	−	$225.00	=	$22.44	18.5%
Banco	Préstamo	12	X	$20.25	+	0	=	$243.00	+	0	=	$243.00	−	$225.00	=	$18.00	14.7%
Unión de Crédito	Préstamo	12	X	$20.00	+	0	=	$240.00	+	0	=	$240.00	−	$225.00	=	$15.00	12.3%
Finanza	Préstamo	12	X	$22.00	+	0	=	$264.00	+	0	=	$264.00	−	$225.00	=	$39.00	32%

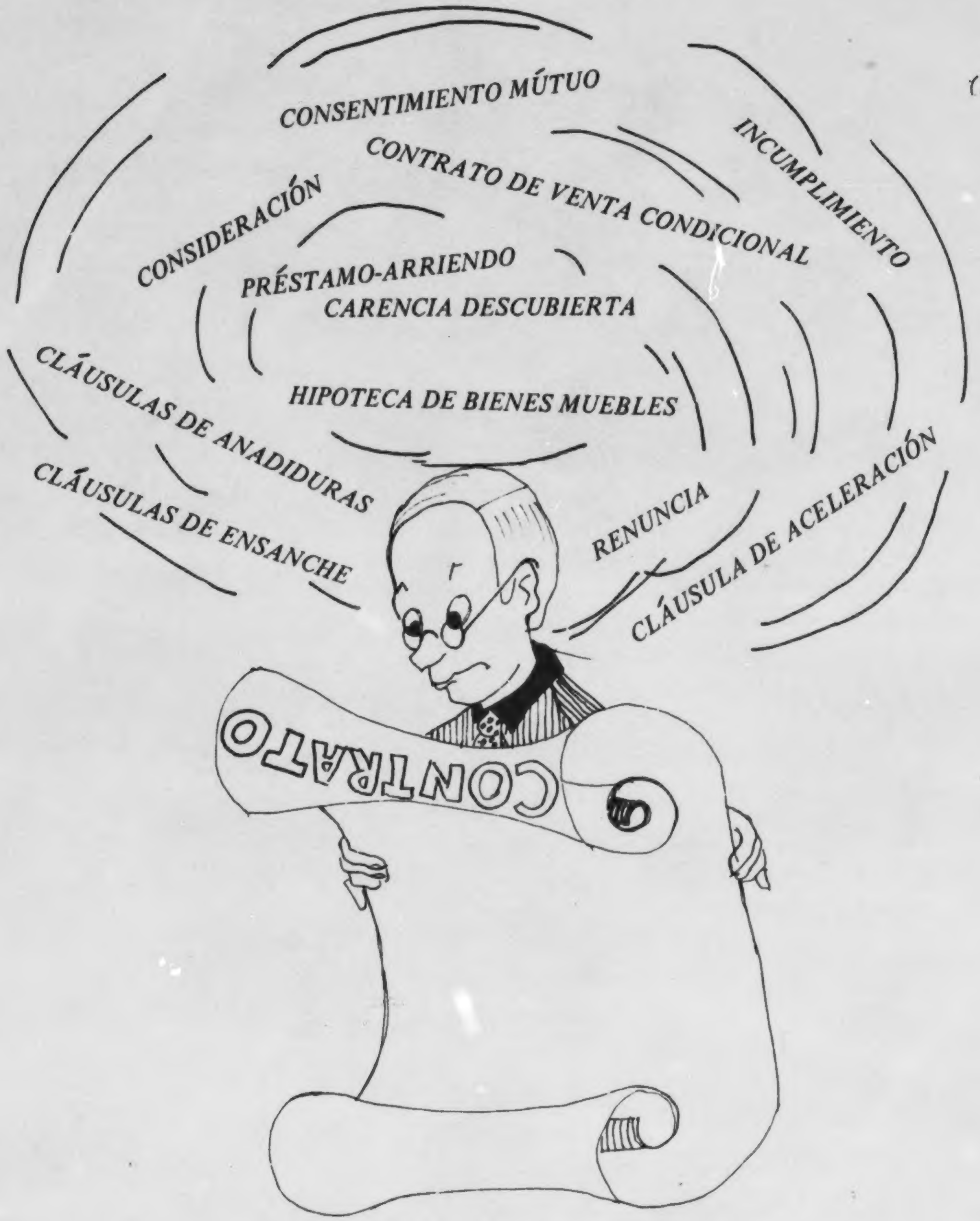
(Variaciones en el costo de crédito para comprar un juego de cocina con un valor en efectivo de $225.00)

COMPARACIÓN DEL COSTO DE CRÉDITO PARA HIPOTECAS

Prestador	Manera de pagar	Núm. de pagos	X	Cantidad de pagos	+	Cantidad Otros Cargos	=	Total a Pagar	+	Cantidad del pago inicial	=	Total Pagado	−	Precio en Efectivo	=	Costo de crédito en dólares	Porcentaje Anual
Banco I	Hipoteca	240	×	$256.79	+	0	=	$61,629.60	+	$2,000	=	$63,639.60	−	$24,000	=	$39,629.60	9 3/4
Banco I	Hipoteca	360	×	$238.92	+	0	=	$86,011.20	+	$2,000	=	$88,011.20	−	$24,000	=	$64,011.20	9 3/4
Banco II	Hipoteca	240	×	$260.09	+	0	=	$62,421.60	+	$2,000	=	$64,421.60	−	$24,000	=	$40,421.60	10%
Banco II	Hipoteca	360	×	$243.58	+	0	=	$87,688.80	+	$2,000	=	$89,688.80	−	$24,000	=	$65,688.80	10%

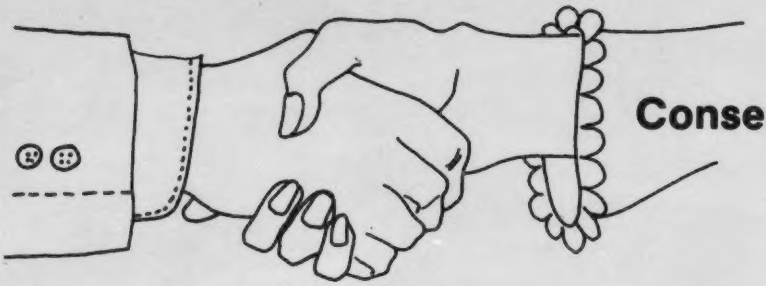
COMPARACIÓN DEL COSTO DE CRÉDITO

Prestador	Manera de pago	Número de Pagos ×	Cantidad de pagos +	Otros Cargos =	Cantidad total a pagar +	Cantidad de pago inicial =	Cantidad total pagada −	Precio en efectivo =	Costo de crédito en dólares	Verdadero porcentaje anual

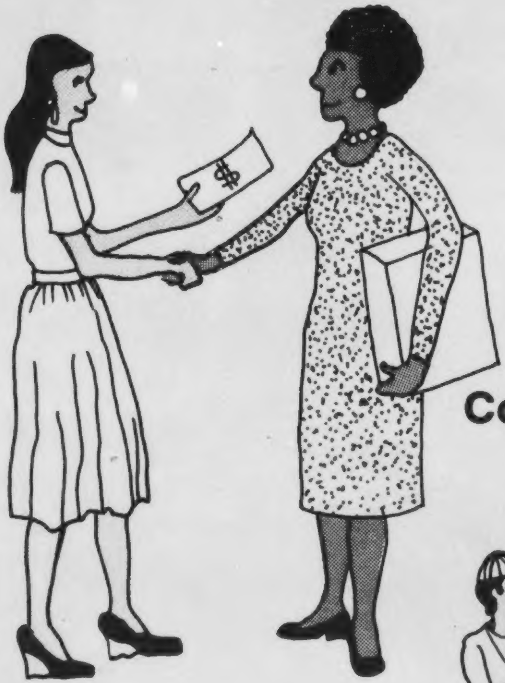

CONSENTIMIENTO MÚTUO
INCUMPLIMIENTO
CONTRATO DE VENTA CONDICIONAL
CONSIDERACIÓN
PRÉSTAMO-ARRIENDO
CARENCIA DESCUBIERTA
HIPOTECA DE BIENES MUEBLES
CLÁUSULAS DE ANADIDURAS
CLÁUSULAS DE ENSANCHE
RENUNCIA
CLÁUSULA DE ACELERACIÓN
CONTRATO

Descubra esta niebla de confusión

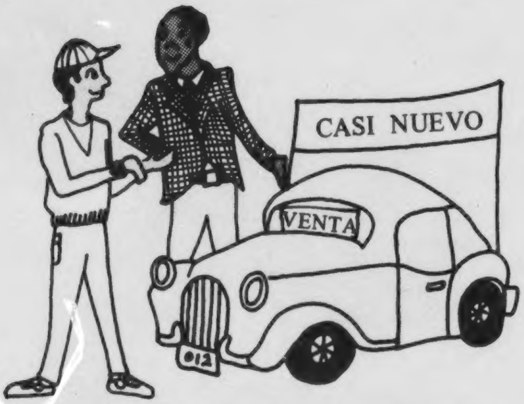
(254)



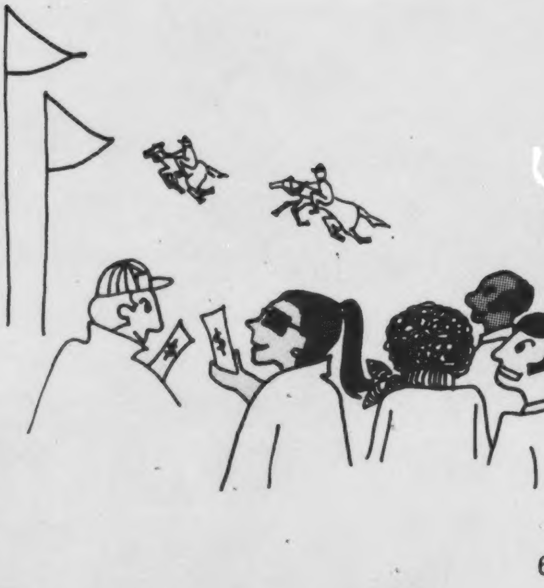
Consentimiento Mútuo



Consideración


CASI NUEVO
VENTA
012

Individuos Competentes



Legalidad

PARTES DE UN CONTRATO

CONTRATO CONDICIONAL DE VENTAS
"El Comprador pagará el balance total y además afirma que el Vendedor guardará el título hasta el pago final—es decir que el Vendedor tendrá la posesión del artículo hasta que el Comprador haga su pago final."

CONTRATO CONDICIONAL DE VENTAS
"Hasta el pago final...y el Comprador no cambiará ni venderá los artículos de una residencia sin el permiso escrito del Vendedor."

CONTRATO CONDICIONAL DE VENTAS
"...y el Comprador tendrá la mercancía en buenas condiciones y reparación...y aceptará la responsibilidad de pérdida y daño de la mercancía."

CONTRATO CONDICIONAL DE VENTAS
"...y en el caso de falto de pago o pagos de la parte del Comprador, el Vendedor podrá pedir el balance total del Comprador, llevar la mercancía y exigir todo el precio de la mercancía del Comprador."

CONTRATO CONDICIONAL DE VENTAS
"En el caso de que la nota sea pagada en total un mes o más antes de la fecha del pago final, el interés será recomputado según la regla de 78"

CONTRATO CONDICIONAL DE VENTAS
"El Comprador pagará los costos del Vendedor para asegurar las provisiones de este contrato, en la colección de pagos, o en la venta de mercancía en reposesión."

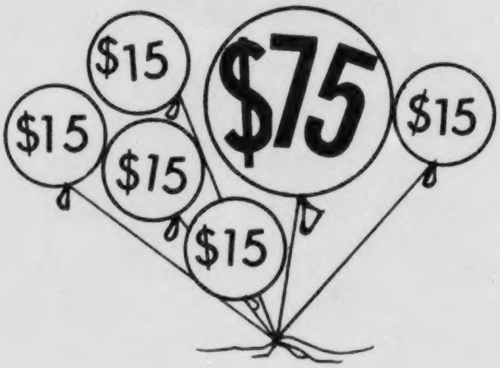
CONTRATO CONDICIONAL DE VENTAS
"El contrato completo entre el Vendedor y el Comprador está contenido en los dos lados de esta hoja."

PROVISIONES A EVITAR EN UN CONTRATO CONDICIONAL DE VENTAS

CONTRATO CONDICIONAL DE VENTAS
"...y en el caso de falta de pago por el comprador, el Vendedor puede exigir el balance total."

CONTRATO CONDICIONAL DE VENTAS
"...El vendedor puede agregar compras adicionales a este contrato...y todos los términos del contrato se aplicarán a las compras adicionales."

CONTRATO CONDICIONAL DE VENTAS
"...5 pagos de $15 y un pago final de $75."

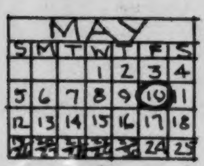


CONTRATO CONDICIONAL DE VENTAS
"...Aceptación de pagos después de la fecha indicada no cambiará ninguna provisión de este contrato."

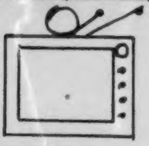
CONTRATO CONDICIONAL DE VENTAS
"La ley de límites que trata los pagos debidos se extenderá por cuatro años más de lo indicado por las leyes de este estado."

CONTRATO CONDICIONAL DE VENTAS
"Seguridad. (1) Ud. puede utilizar cualquier benificio de seguros para pagar la cantidad que debo. (2) Si hay 'sí" bajo "Salario Asignado" arriba, y no pago a tiempo, mi patrón puede pagar 10% de mi salario (si más de $85 por semana) para pagar lo que debo.

ANTES DE FIRMAR—CUIDADO
(Hoja para Repartir)

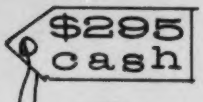

MAY
S M T W T F S
1 2 3 4
5 6 7 8 9 10 11
12 13 14 15 16 17 18
19 20 21 22 23 24 25

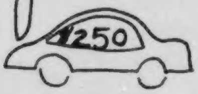
—la fecha del principio del contrato



—la descripción de la compra

—el precio del producto en efectivo





—la cantidad del pago inicial si hay

$350 —la cantidad de los pagos subsiguientes

CHARGES
1 $ 5
2 $ 17
3 $ 2

—la lista de los cargos con el costo de finanza

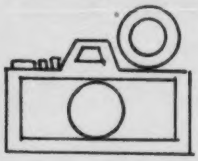
$1100 —cantidad total de finanza

18% —costo de finanza en porcentaje de interés anual

5 Payments of $25 each due 1st of each month

—el número y la cantidad de cada pago y las fechas de los pagos

PENALTY $5 —los cambios en el caso de pagos tardíos

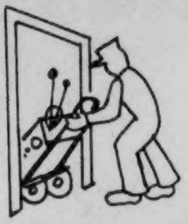


—descripción de cualquier seguridad retenida por el creditor

Credit Life Insurance $10

—costo del seguro si hay

(258)



—lo que pasa si falta un pago o no puede pagar

—todo lo que promete hacer el vendedor

—sus "derechos"

a. cuando Ud. obtiene el título de la mercancía
b. lo que Ud. tiene que hacer si decide vender o dar la mercancía a otra persona
c. sus obligaciones si o cuando el vendedor le quita la mercancía
d. si le remiten el costo del crédito en el caso de que Ud. pague todo antes del plazo indicado

624

CONTRATO CONDICIONAL DE VENTAS

Fecha __________ 19____

A ______________________
(Vendedor)

____
(Calle)

____
(Ciudad) (Estado)

Nombre del Comprador ______________________
Dirección del Domicilio ______________________
Ciudad ______________________

Yo (el comprador o compradores, solo o juntos) compro de Ud. los artículos siguientes:

Artículo	No. de Modelo	No. del Serial

Use este Plan si los pagos mensuales no son iguales

$_____ el__________19_____

Precio en Efectivo	$__________
Impuestos de Venta	$__________
Servicio de Crédito	$__________
Precio Total	$__________
Pago Inicial	
(a) Efectivo	$__________
(b) Artículo Cambiado	$__________
Balance	$__________

__________pagos, de $__________, pagado el__________ día de cada__________, empezando el__________, 19_____

El costo de finanza se computa con el cargo mensual de 1.5% (PORCENTAJE ANUAL 18%).
Ud. guarda el título de la mercancía hasta el último pago. Tendré la mercancía en mi poseción y en buenas condiciones. La llevaré a otro lugar sólo con su permiso escrito.

El interés del pago total será según la regla de 78.

En el caso de falta de pago, se deberá el balance total, con 15% para el abogado en el caso de necesidad. También en el caso de falta de pago Ud. tendrá el derecho de llevar la mercancía, y yo tendré el derecho de exigir la venta de la mercancía en una subasta pública en acuerdo con la ley del estado de Texas.

Este es el contrato total, con otra garantía escrita o contrato de servicio dado por Ud., y no se puede cambiar oralmente. Si me notifican que ha firmado este contrato, estará responsable de todas sus obligaciones, pero sus derechos de firmador serán independientes de cualquier queja contra Ud.

ESTE ES UN CONTRATO CONDICIONAL DE VENTAS

Aceptado:

Firma del
Vendedor ____________________

Por__________ Título____________

Firma del
Comprador ____________________

He recibido una copia de este contrato. No hay otra extensión de crédito en la compra de este artículo.

____
(Firma del Comprador)

FIRMANDO CONTRATOS

(Bocetos)

PROMESAS, PROMESAS

Situación: Billy y Jan Blackwell compran una alfombra nueva para la sala. Han visto la alfombra que quieren y están discutiendo el uso del crédito. La alfombra tiene un valor en efectivo de $97.65.

Jan: Tiene la alfombra una garantía?

Vendedor: Sí, tiene una garantía que asegura que durará por toda su vida.

Billy: ¿Si encontráramos un defecto en la alfombra, podríamos devolverla?

Vendedor: Sí, nomás llévesela a la tienda y devolveremos el precio y el interés más un "bonus," y le daremos una alfombra nueva.

Jan: Aunque nunca hemos faltado en un pago de algo que compramos, a veces las emergencias ocurren. ¿Si tenemos una emergencia, podríamos arreglar pagos reducidos o tardar los pagos durante una temporada?

Vendedor: Sí, claro. ¿Siempre nos gusta ayudar a nuestros clientes! Este es nuestro lema. Podríamos posponer los pagos por 3 o 4 meses sin costos de interés para Uds.

Billy: Perfecto. Firmemos el contrato, Jan.

Estudie el contrato (vea página 00) de los Blackwell y decida si deben firmarlo o no.

¿COMPRAR O NO COMPRAR?

Situación: Karen y Jerry Armstrong han hallado una silla hecha sólo para ellos. Están discutiendo el costo con el vendedor. Quieren arreglar el crédito en la tienda.

Vendedor: Pues, amigos, Uds. pueden poseer esta pequena silla por el precio de solo $159.95. Va a durar una vida y yo sé que les va a encantar.

Jerry: ¿Cuánto serán los pagos?

Vendedor: Los pagos serán de $9.95 al mes. ¿No será facil pagar su silla mientras que la tengan en casa?

Karen: ¿Me parece bien, pero cuanto pagaremos de interés?

Vendedor: Pagarán sólo 3% al mes en el balance. Y después de un año, la silla será suya.

Jerry: Me parece muy generoso. Debemos firmar el contrato antes de que Ud. cambie de opinión.

Lea el contrato (vea página 00) de los Armstrong y decida si deben firmarlo.

¡FIRME AQUÍ Y NO SE PREOCUPE!

Situación: Debra y Donald Edwards van a comprar un coche usado de la compañía WHEELER USED CARS. El vendedor les ha dicho que el contrato estaría listo para firmar hoy.

Debra: Buenos días, sr. Wheeler. Venimos a ver si el contrato está listo.

sr. Wheeler: Pues, no. Lo siento mucho. Es que la hermana de mi secretaria va a tener un hijo y por eso ella no está hoy para terminar su contrato de ayer.

Donald: ¡Qué lástima! Esperábamos llevar el coche a casa hoy. Queríamos mostrarlo a los padres de Debra este fin de semana.

sr. Wheeler: Lo siento. Ya se que quieren que todos sepan de la ganga que tienen. A ver— ¿qué podemos hacer? (Agarra un contrato)

Debra: Le agradecemos, sr. Wheeler.

sr. Wheeler: A ver. Fue de $1495, ¿verdad? E iba a preguntar a mi secretaria lo que podríamos darles en cambio de su carro viejo. No puedo verificar esto. Quisieron pagar el coche en 24 meses, ¿verdad? (Busca con animación en su fichero.) Pues, la srta. Richards, habrá cerrado el plan de pagos en su escritorio. Tendré que esperar para llenar todo eso. Si uds. firman aquí podrán tener el coche para mostrar a su familia y a sus amigos este fin de semana. (262)

Donald: ¡Que celosos serán June y Jerry cuando lo vean!

Estudie el contrato (vea página 00) y decida si los Edwards deben firmarlo.

¡LEA EL CONTRATO!

He aquí una copia del contrato del sr. y la sra. Domingo Cortez. Léalo con cuidado y Ud. puede avisarlos si deben firmarlo o no.

CONTRATO CONDICIONAL DE VENTAS

Fecha 5 de Marzo de 1980 Nombre del Comprador Billy y Jan Blackwell

A Tienda de Departamentos de Amigos Dirección del Domicilio 201-42nd Street
Vendedor Calle

Vendedor

Su Pueblo, Tejas
Ciudad Estado

Yo (el comprador) compro de Ud. (el vendedor), con las condiciones aquí indicadas, los artículos siguientes:

Artículo	No. de Modelo	No. de Serial
9'x12' alfombra	4016	—

1. Precio en Efectivo .... $ 97.65
2. Costo del Servicio .... $ 5.00
3. Costo de Transporte .... $ 8.00
4. Precio Total .... $ 110.65
5. Pago Inicial (a+b)
   (a) En efectivo .... $ 10.65
   (b) Artículo Cambiado .... $ — $ 10.65
6. Balance a Pagar (4-5) .... $ 100.00
7. Cargo de Finanza .... $ 9.75
8. Balance a Tiempo (6+7) .... $ 109.75
9. Precio del Pago Tardío .... $ 120.40
10. Porcentaje Anual .... $ 18%

Yo pagaré el balance a tiempo de los artículos y los servicios descritos arriba. El balance a tiempo de este contrato se ve arriba. Se pagará al vendedor en plazos mensuales de $ 9.14 cada uno por 11 meses, y un plazo final de $ 9.10, el día 20th de cada mes, comenzando el 20 de Abril, 19 80 y continuando hasta el pago final.

Ud. tendrá el título de los artículos en este contrato hasta el pago final. No vendré ni cambiaré los artículos de su local original sin su acuerdo escrito, y estaré responsable de pérdida o daños de los artículos hasta el pago final. Si no cumplo con mi deber en este contrato, Ud. puede exigir el balance total del artículo. En este caso, pagaré el balance, y Ud. puede, según la ley, llevar la mercancía o precurar otro remedio legal. Si más de una persona firma el contrato, la responsabilidad será de la parte de todos.

Este es el contrato completo, con la garantía o contrato de servicio entregados por Ud. y no se puede cambiar oralmente.

NOTICIA AL COMPRADOR

No firme el contrato antes de leerlo o si contiene espacios vacíos. Ud. debe tener una copia del contrato que firma. Según la ley , Ud. tiene el derecho de pagar en avance la cantidad total y bajo ciertas condiciones puede obtener un regreso del cargo de finanza. Guarde este contrato para proteger sus derechos legales.

Yo recibí una copia de este contrato:

Firma ______________________________ Fecha ____________, 19______

Dirección ____

Por ____

Esposo o esposa o Agente autorizado

TIENDA "EVERYTHING"

Por ____________________________ Local ______________________

(265)

CONTRATO CONDICIONAL DE VENTAS

Fecha 10 de marzo de 1980 Nombre del Comprador Jerry y Karen Armstrong

A Muebleria de Fina
Vendedor

Dirección del Domicilio 1616 Western
Calle Avenue

Vendedor

Su Pueblo Tejas
Ciudad Estado

Yo (el comprador) compro de Ud. (el vendedor), con las condiciones aquí indicadas, los artículos siguientes:

Artículo	No. de Modelo	No. de Serial
silla	110678	—

1. Precio en Efectivo .... $ 159.95
2. Costo del Servicio .... $ —
3. Costo de Transporte .... $ 5.00
4. Precio Total .... $ 164.95
5. Pago Inicial (a+b)
   (a) En efectivo .... $ —
   (b) Artículo Cambiado .... $ 25.00 $ 25.00
6. Balance a Pagar (4-5) .... $ 139.95
7. Cargo de Finanza .... $ 27.83
8. Balance a Tiempo (6+7) .... $ 167.78
9. Precio del Pago Tardío .... $ 192.78
10. Porcentaje Anual .... $ 36%

Yo pagaré el balance a tiempo de los artículos y los servicios descritos arriba. El balance a tiempo de este contrato se ve arriba. Se pagará al vendedor en plazos mensuales de $ 9.95 cada uno por 11 meses, y un plazo final de $ 58.33, el día 15th de cada mes, comenzando el 15 de abril, 19 80 y continuando hasta el pago final.

Ud. tendrá el título de los artículos en este contrato hasta el pago final. No vendré ni cambiaré los artículos de su local original sin su acuerdo escrito, y estaré responsable de pérdida o daños de los artículos hasta el pago final. Si no cumplo con mi deber en este contrato, Ud. puede exigir el balance total del artículo. En este caso, pagaré el balance, y Ud. puede, según la ley, llevar la mercancía o precurar otro remedio legal. Si más de una persona firma el contrato, la responsabilidad será de la parte de todos.

Este es el contrato completo, con la garantía o contrato de servicio entregados por Ud. y no se puede cambiar oralmente.

NOTICIA AL COMPRADOR

No firme el contrato antes de leerlo o si contiene espacios vacíos. Ud. debe tener una copia del contrato que firma. Según la ley , Ud. tiene el derecho de pagar en avance la cantidad total y bajo ciertas condiciones puede obtener un regreso del cargo de finanza. Guarde este contrato para proteger sus derechos legales.

Yo recibí una copia de este contrato:

Firma ______________________ Fecha__________, 19____

Dirección ______________________________________

Por ____

Esposo o esposa o Agente autorizado

TIENDA "EVERYTHING"

Por ______________________ Local__________________

632

(267)

CONTRATO CONDICIONAL DE VENTAS

Fecha 8 de Marzo de 1980 Nombre del Comprador Donald y Debra Edwards

A Wheeler Used Cars
Vendedor

Dirección del Domicilio 1410 Maple Avenue
Calle

Vendedor

Su Pueblo Tejas
Ciudad Estado

Yo (el comprador) compro de Ud. (el vendedor), con las condiciones aquí indicadas, los artículos siguientes:

Artículo	No. de Modelo	No. de Serial
1975 coche usado	H 14678	416R109K8

1. Precio en Efectivo $1,495.00
2. Costo del Servicio $23.00
3. Costo de Transporte .... $—
4. Precio Total $1,518.00
5. Pago Inicial (a+b)
   (a) En efectivo .... $—
   (b) Artículo Cambiado .... $— $
6. Balance a Pagar (4-5) .... $
7. Cargo de Finanza .... $
8. Balance a Tiempo (6+7) .... $
9. Precio del Pago Tardío .... $
10. Porcentaje Anual .... $

Yo pagaré el balance a tiempo de los artículos y los servicios descritos arriba. El balance a tiempo de este contrato se ve arriba. Se pagará al vendedor en plazos mensuales de $____ cada uno por 23 meses, y un plazo final de $____, el día 1st de cada mes, comenzando el 1 de Abril, 19 80 y continuando hasta el pago final.

Ud. tendrá el título de los artículos en este contrato hasta el pago final. No vendré ni cambiaré los artículos de su local original sin su acuerdo escrito, y estaré responsable de pérdida o daños de los artículos hasta el pago final. Si no cumplo con mi deber en este contrato, Ud. puede exigir el balance total del artículo. En este caso, pagaré el balance, y Ud. puede, según la ley, llevar la mercancía o precurar otro remedio legal. Si más de una persona firma el contrato, la responsabilidad será de la parte de todos.

Este es el contrato completo, con la garantía o contrato de servicio entregados por Ud. y no se puede cambiar oralmente.

NOTICIA AL COMPRADOR

No firme el contrato antes de leerlo o si contiene espacios vacíos. Ud. debe tener una copia del contrato que firma. Según la ley , Ud. tiene el derecho de pagar en avance la cantidad total y bajo ciertas condiciones puede obtener un regreso del cargo de finanza. Guarde este contrato para proteger sus derechos legales.

Yo recibí una copia de este contrato:

Firma ________________________________ Fecha______________, 19______

Dirección ____

Por ____
Esposo o esposa o Agente autorizado

TIENDA "EVERYTHING"

Por ________________________________ Local____________________________

CONTRATO CONDICIONAL DE VENTAS

(269)

Fecha 3 de Marzo de 1980 Nombre del Comprador Mr. y Mrs. Domingo Cortez

A Friendly Appliances
Vendedor

Dirección del Domicilio 601 Guadalupe
Calle Avenue

Vendedor

Su Pueblo Tejas
Ciudad Estado

Yo (el comprador) compro de Ud. (el vendedor), con las condiciones aquí indicadas, los artículos siguientes:

Artículo	No. de Modelo	No. de Serial
T.V.	16790	4168HG510

1. Precio en Efectivo .... $ 225.00
2. Costo del Servicio .... $ —
3. Costo de Transporte .... $ —
4. Precio Total .... $ 225.00
5. Pago Inicial (a+b)
   (a) En efectivo .... $ 20.00
   (b) Artículo Cambiado .... $ — $ 20.00
6. Balance a Pagar (4-5) .... $ 205.00
7. Cargo de Finanza .... $ 45.00
8. Balance a Tiempo (6+7) .... $ 250.00
9. Precio del Pago Tardío .... $ 270.00
10. Porcentaje Anual .... $ 23%

Yo pagaré el balance a tiempo de los artículos y los servicios descritos arriba. El balance a tiempo de este contrato se ve arriba. Se pagará al vendedor en plazos mensuales de $ 5.00 cada uno por 49 meses, y un plazo final de $ 5.00, el día Jueves de cada mes, comenzando el 10 de Abril, 19 80 y continuando hasta el pago final.

Ud. tendrá el título de los artículos en este contrato hasta el pago final. No vendré ni cambiaré los artículos de su local original sin su acuerdo escrito, y estaré responsable de pérdida o daños de los artículos hasta el pago final. Si no cumplo con mi deber en este contrato, Ud. puede exigir el balance total del artículo. En este caso, pagaré el balance, y Ud. puede, según la ley, llevar la mercancía o precurar otro remedio legal. Concuerdo, además, en pagar pagos razonables de abogados y costos de colección. Recibo de pagos atrasados no se servirá de renuncia de ningún proviso de este acuerdo. Además de la ley de límites en cuanto a cualquier pago debido bajo este contrato se extenderá por cuatro años adicionales al tiempo provisto por las leyes de este estado. Si más de una persona firma el contrato, la responsabilidad será de la parte de todos.

Este es el contrato completo, con la garantía o contrato de servicio entregados por Ud. y no se puede cambiar oralmente.

NOTICIA AL COMPRADOR

No firme el contrato antes de leerlo o si contiene espacios vacíos. Ud. debe tener una copia del contrato que firma. Según la ley , Ud. tiene el derecho de pagar en avance la cantidad total y bajo ciertas condiciones puede obtener un regreso del cargo de finanza. Guarde este contrato para proteger sus derechos legales.

Yo recibí una copia de este contrato:

Firma ______________________ Fecha____________, 19_____

Dirección ______________________________________

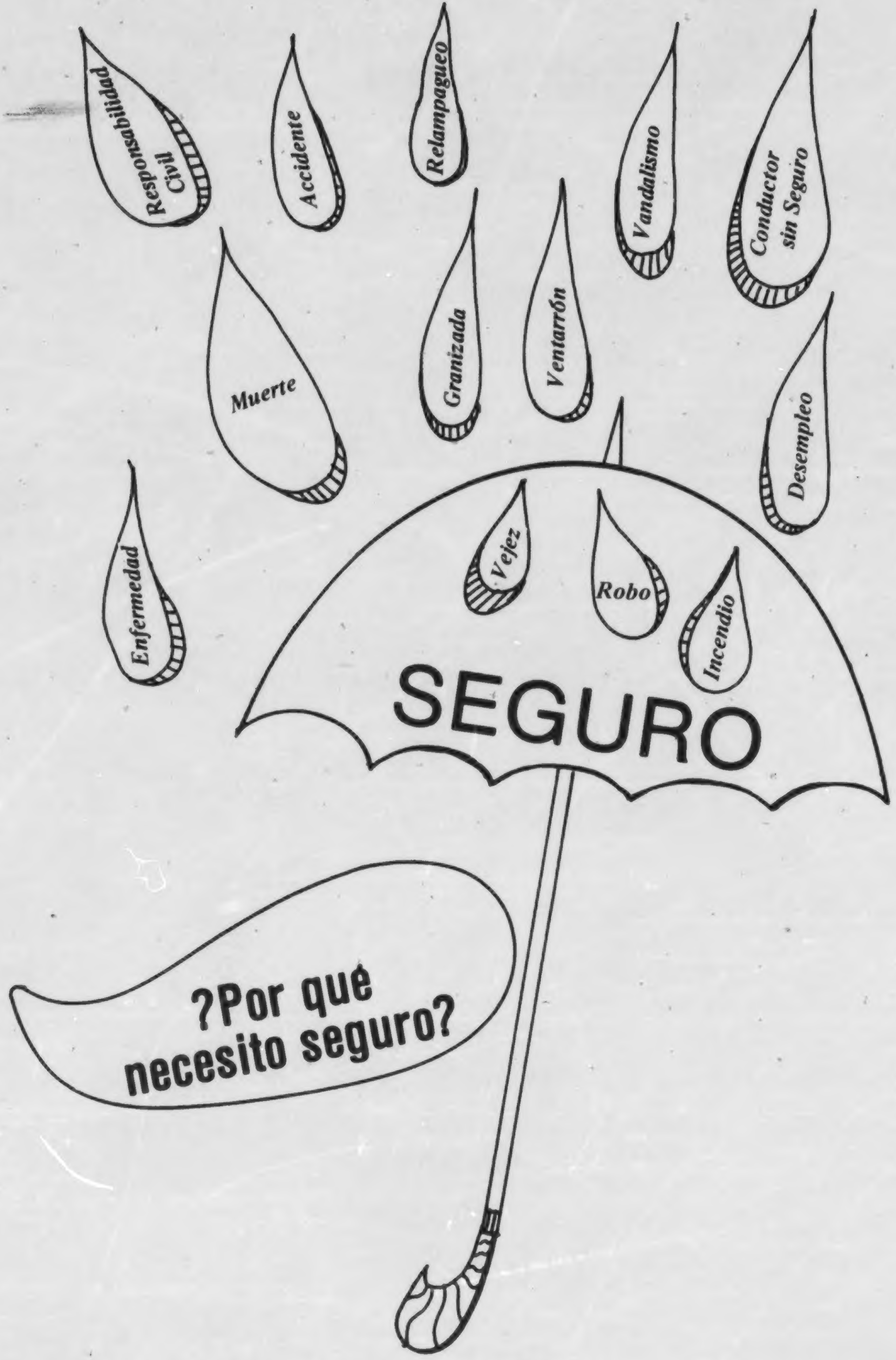
Por ______________________________________

Esposo o esposa o Agente autorizado

TIENDA "EVERYTHING"

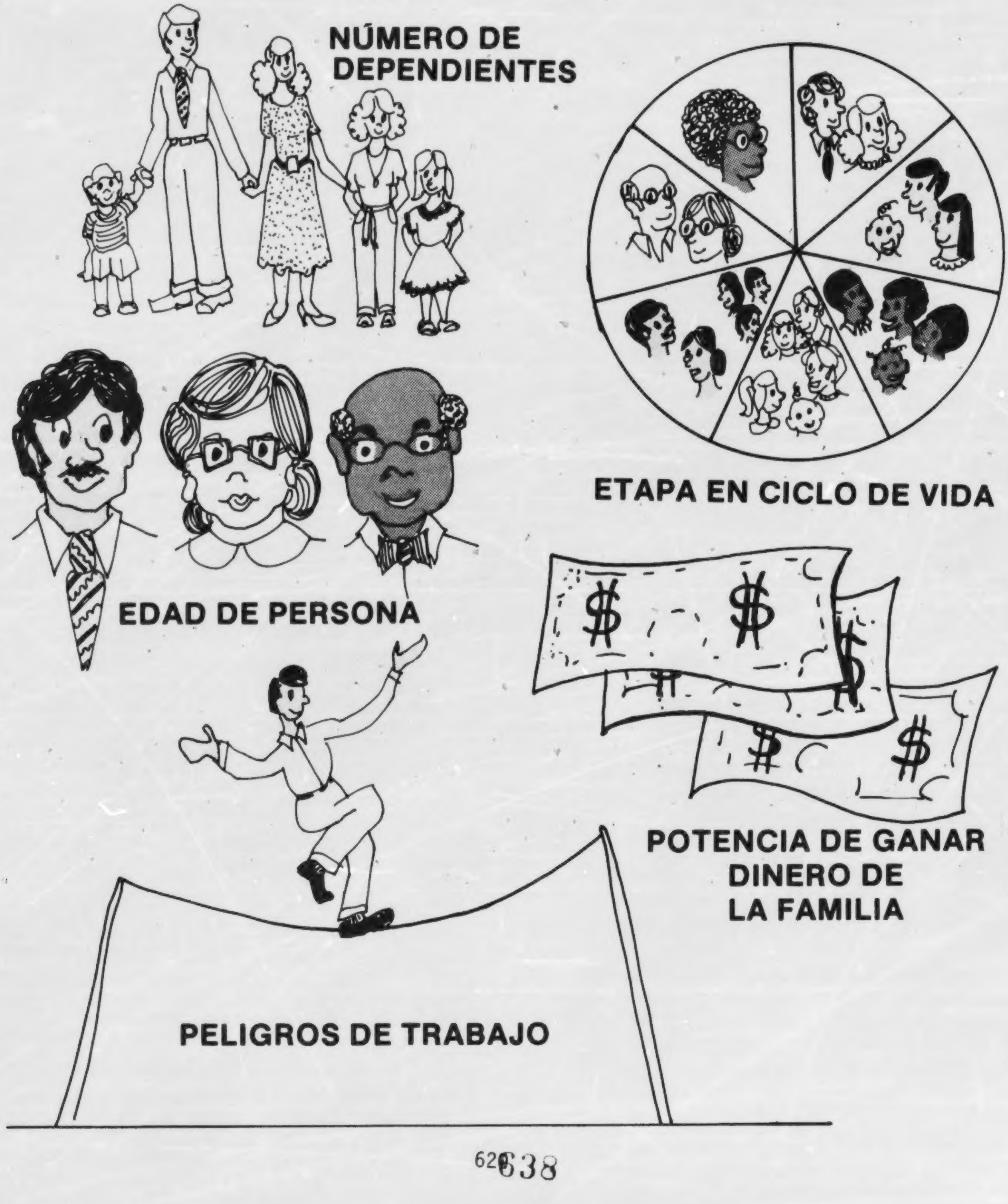
Por ______________________ Local______________________

636


Responsabilidad Civil
Accidente
Relampagueo
Vandalismo
Conductor sin Seguro
Muerte
Granizada
Ventarrón
Desempleo
Enfermedad
Vejez
Robo
Incendio
SEGURO
?Por qué necesito seguro?

FACTORES QUE DETERMINAN SUS NECESIDADES DE SEGURO

(277)


NÚMERO DE DEPENDIENTES
ETAPA EN CICLO DE VIDA
EDAD DE PERSONA
POTENCIA DE GANAR DINERO DE LA FAMILIA
PELIGROS DE TRABAJO

TIPOS DE SEGUROS

DIRECCIONES PARA TABLA DE FRANELA:

Coloque dibujos que ilustran los distintos tipos de seguros en lugares apropiados. Por ejemplo—emplee una foto de un carro destruído para seguro de automóviles; una foto de un anciano jubilado para seguro social.

Seguro de vida ______________________________

Seguro de salud ______________________________

Seguro social ______________________________

Seguro social ______________________________

Medicare ______________________________

Medicaid ______________________________

Seguro de propiedad ______________________________

Seguro de vivienda ______________________________

Seguro de propiedad personal ______________________________

Seguro de automóviles ______________________________
(de carros)

TIPOS DE SEGUROS DE VIDA
(Tabla de Franela)

Básico

TÉRMINO

1. Término renovador-vida
2. Término convertible-vida
3. Término creciente-vida
4. Término decreciente-vida
5. Término plano-vida

PERMANENTE

1. Vida regular
2. Vida pago limitado
3. Vida dotal

COMBINACIÓN

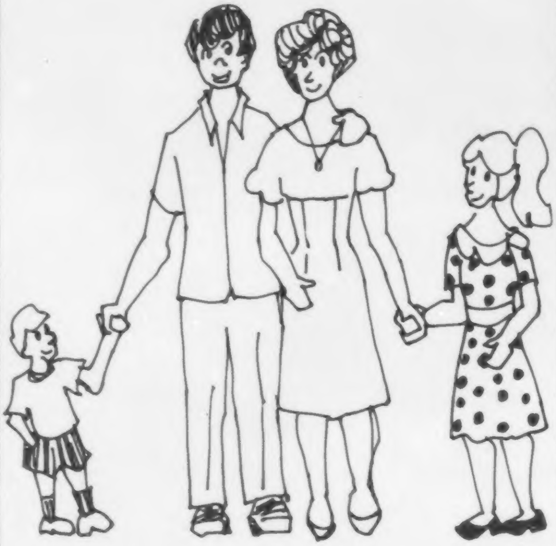
1. Póliza de ingresos de familia
2. Póliza de familia
3. Seguro de hipoteca
4. Seguro de crédito de vida

TIPOS BÁSICOS DE SEGUROS

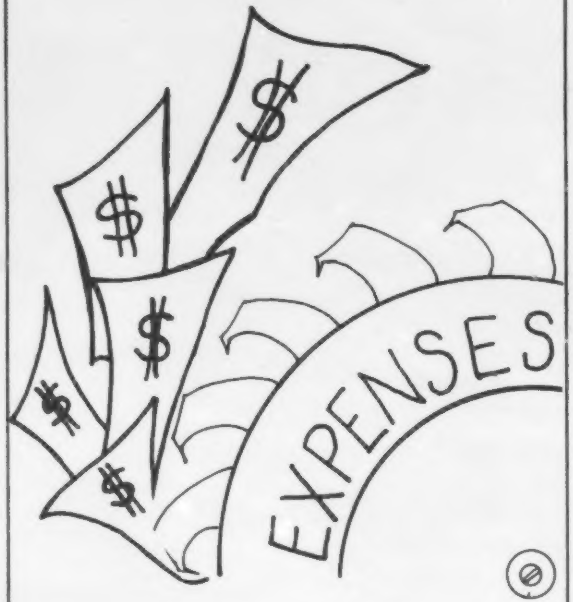
CARACTERÍSTICAS	**TÉRMINO**	**VIDA ORDINARIA**	**PAGO LIMITADO**	**VIDA DOTAL**
Período de paso de premios	Período de tiempo dado como 5, 10 o 20 años.	Durante la vida entera del asegurado.	Período dado de 10, 15, 20 o 30 años, o hasta la edad de 60 o 65 años.	Período dado de 10, 15, 20 o 30 años, o hasta la edad de 60 o 65 años.
Maduración de la póliza	Pago hecho al beneficiario si la persona lastimada muere dentro del término. Al final del término la protección termina.	A la muerte del asegurado.	A la muerte del asegurado.	A la muerte del asegurado o al final del período si el asegurado todavía vive
Ventajas	1. Protección máxima al costo mínimo para período de tiempo dado. 2. Normalmente se puede convertir a póliza de vida o dotal sin examen médico.	1. Da protección durante la vida a un costo de primas constante. 2. El costo en efectivo de la póliza se puede usar como ingresos. 3. El asegurado puede pedir dinero prestado sobre esta póliza.	1. Primas pagadas por tiempo limitado. 2. Protección dada durante toda la vida. 3. Tiene más valor en efectivo o para pedir prestado que "vida ordinaria."	1. Paga una cantidad predeterminada de dinero al final del período. 2. Da protección de seguros mientras se pagan las primas.
Bueno Para	Personas con ingresos limitados que necesitan mucha protección, especialmente protección temporaria.	Personas que tienen ingresos pequeños pero que necesitan protección para la familia durante un largo período de tiempo. Personas que quieren una póliza con un valor en efectivo o con un valor de préstamo.	Personas que tendrán ingresos decrecientes durante cierto período y pueden ahorrar más del costo de una póliza de seguros ordinaria.	Personas que quieren ahorrar para la educación de hijos durante los años futuros y todavía necesitan seguros durante este período.

DETERMINE FACTORES DE SEGURO DE SALUD

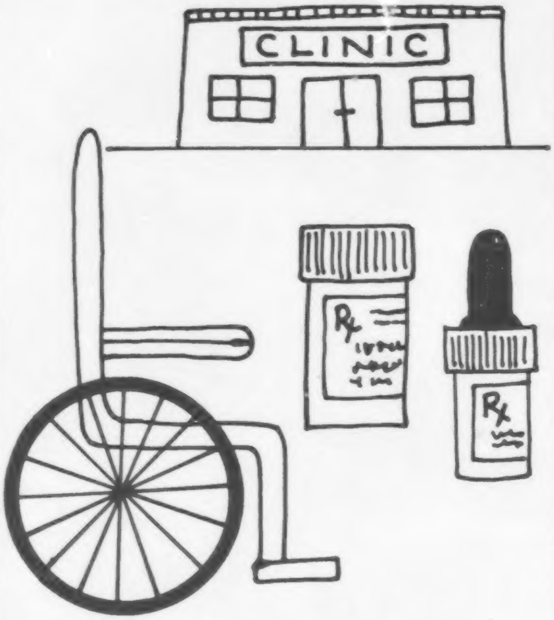
(292)



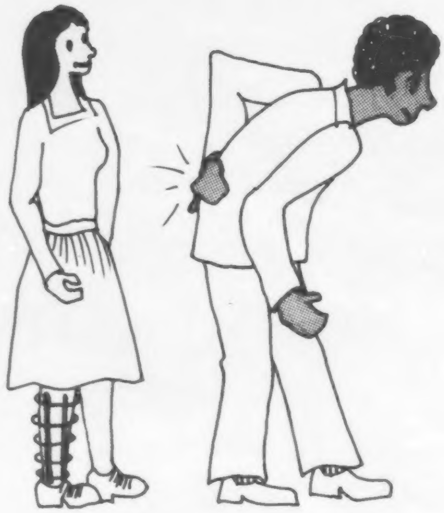
TAMAÑO, EDAD, Y SEXO DE MIEMBROS DE FAMILIA



INGRESO Y GASTOS



PROBLEMAS DE SALUD INDIVIDUALES EN SU FAMILIA



COSTO DE SERVICIOS MÉDICOS; SERVICIOS DE SALUD APOYADOS POR IMPUESTOS EN LA COMUNIDAD QUE LE SEAN ALCANZABLES

FACTORES QUE DETERMINAN EL COSTO DE SEGUROS

1.) **Edad**
____20-29
____30-39
____40-49
____50-59
____60-69

2.) **Tipo de protección**
____Costo del hospital
____Costo de cirugía
____Costo del médico
____Médico mayor
____Pérdida de ingresos

3.) **Alcance de protección**
Incluye
cuarto y comida

4.) **Número de personas protegidas**
____padre
____madre
____John
____Mary
____Susan

5.) **Período de espera**
En vigor después
de un período de
30 días.

6.) **Cláusula Deducible**
$50 deducible

7.) **Cláusula de Coaseguro**
Se pagará 80 por ciento
de los costos totales.

PREGUNTAS QUE HACER SOBRE EL AGREGADO DE RIESGOS DE SEGURO DE SALUD

(Para Repartir)

(294-295)

A. LA VERIFICACIÓN DE SEGURO DE HOSPITAL

1. ¿Cuántos días en el hospital cubre la póliza de Ud.?
2. ¿Cuánto paga la póliza al día por cuarto y comida?
3. ¿Cómo comparan estos beneficios diarios con el cobro diario por cuarto y comida de su hospital local?
4. ¿Cuánto paga la póliza por otros gastos contraídos en el hospital como exámenes de laboratorio, rayos X, anestesia y la administración de ella, etc.?
5. ¿Hay períodos de espera antes de que se cubran ciertas condiciones?
6. ¿Hay una cantidad deducible que Ud. tiene que pagar por gastos del hospital antes de que empiecen los beneficios?
7. ¿Qué provisiones existen para la renovación de la póliza?
8. ¿Qué exclusiones o limitaciones contiene la póliza?

B. LA VERIFICACIÓN DE SEGURO QUIRÚRGICO

1. ¿Comparan bien los beneficios con lo que cobran los cirujanos en su comunidad?
2. ¿Qué tipos de servicios quirúrgicos ayuda la póliza a pagar?
3. ¿Qué limitaciones de beneficios existen?

C. LA VERIFICACIÓN DE SEGURO MÉDICO

1. ¿Cuánto paga la póliza por cada visita que se la hace el médico mientras Ud. esté en el hospital?
2. ¿Cuántas visitas se permiten por cada estancia en el hospital?
3. ¿Le pagan a Ud. por visitas del médico a su casa y visitas de Ud. a la oficina del médico? ¿Cuánto pagan por cada visita?
4. ¿Hay deducible, o de dinero o de visitas no pagadas, antes de que empiecen los beneficios?

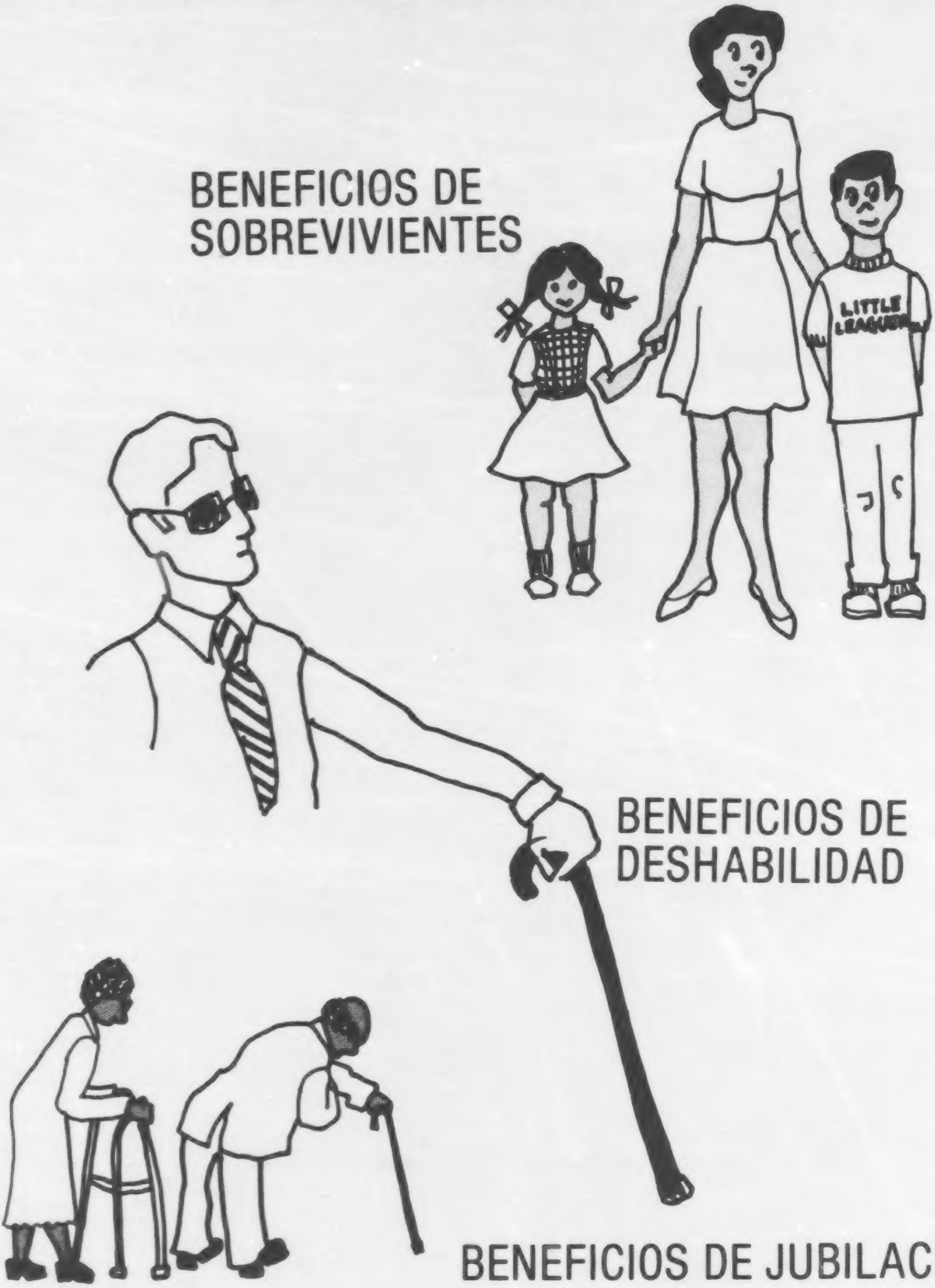
D. LA VERIFICACIÓN DE SEGURO MÉDICO MAYOR

1. ¿Qué es la cantidad máxima que pagará su póliza?
2. ¿Se hará vigente de nuevo el beneficio máximo después de que se recupere Ud.?
3. ¿Cuánto es el deducible que Ud. tendrá que pagar?
4. ¿Hay deducible para cada reclamación para enfermedad o herida? ¿O es a base del año calendario con un deducible al año cobrado contra todas las deudas?
5. ¿Qué porcentaje del costo total después del deducible paga la póliza? ¿75%? ¿80%? ¿Qué porcentaje paga Ud.?
6. ¿Qué provisiones existen para la renovación de su póliza?
7. ¿Qué límites de beneficios existen para gastos como comida y cuarto en el hospital, cirugía, consulta, y tratamiento de especialistas?

E. LA VERIFICACIÓN PARA SEGURO DE DESHABILIDAD:

1. ¿Hay un período de espera antes de que empiecen los beneficios?
2. ¿Varía el período de espera según si la deshabilidad fue causada por enfermedad o accidente?
3. ¿Cómo define la póliza deshabilidad total?
4. ¿Pagará beneficios para deshabilidad parcial?
5. ¿Es requisito de la póliza que Ud. se limite a los confines de la casa para ser elegible?
6. ¿Por cuánto tiempo duran los pagos regulares para accidente? ¿Para enfermedad?
7. ¿Qué exclusiones o limitaciones existen en su póliza?

BENEFICIOS DE SEGURIDAD SOCIAL



BENEFICIOS DE SOBREVIVIENTES

BENEFICIOS DE DESHABILIDAD

BENEFICIOS DE JUBILACIÓN

LITTLE LEAGUER

BENEFICIOS DE LA SEGURIDAD SOCIAL

Beneficios para Hombres

Tipo de Beneficios	Edad de pago
Jubilación	65 años o más
Jubilación reducida	65 años o más
Deshabilidad	cualquier edad hasta 65 años
Medicare	65 años o más
Esposo dependiente	62 años o más
Viudo dependiente	62 años o más
Viudo dependiente deshabilitado	50-61

Beneficios para Mujeres

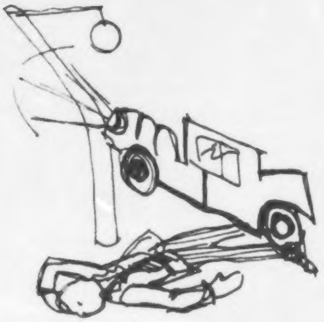
Tipo de Beneficios	Edad de pago
Jubilación	65 años o más
Jubilación reducida	62 años o más
Deshabilidad	cualquier edad hasta 65 años
Medicare	65 años o más
Esposa	65 años o más—cualquier edad si tiene hijo que cuidar
Esposa divorciada	65 años o más
Esposa reducida (o esposa divorciada)	62 años o más
Viuda	62 años o más
Viuda reducida	60 años o más
Viuda deshabilitada	50 años o más
Madre	cualquier edad—si tiene hijo que cuidar

Beneficios para Hijos

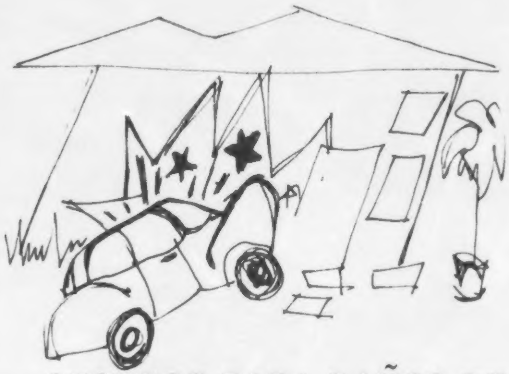
Tipo de Beneficio	Edad de pago
Niño	hasta 18 años
Hijo	18-22 años si asiste a una escuela
Hijo deshabilitado	18 años o más—si la deshabilidad empieza antes de 18 años de edad.

TIPOS BÁSICOS DE SEGUROS PARA AUTOMÓVILES

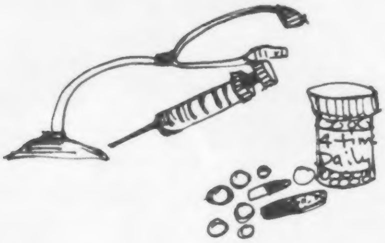
(311)



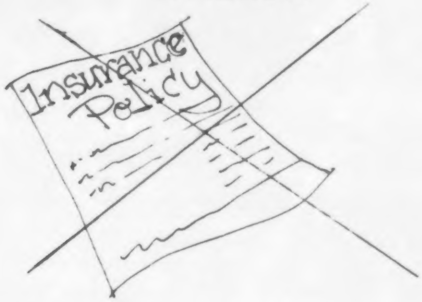
SEGUROS PARA DAÑO CORPORAL



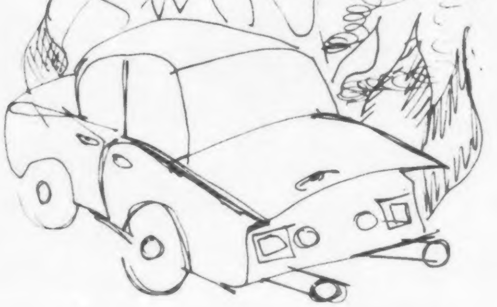
SEGUROS PARA DAÑOS DE VIVIENDA


4 times Daily

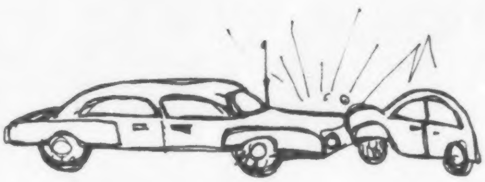
SEGUROS PARA PAGOS MEDICOS


Insurance Policy

SEGURO CONTRA MANEJADORES NO ASEGURADOS



SEGURO DE DAÑO FISICO



SEGURO DE COLISIÓN

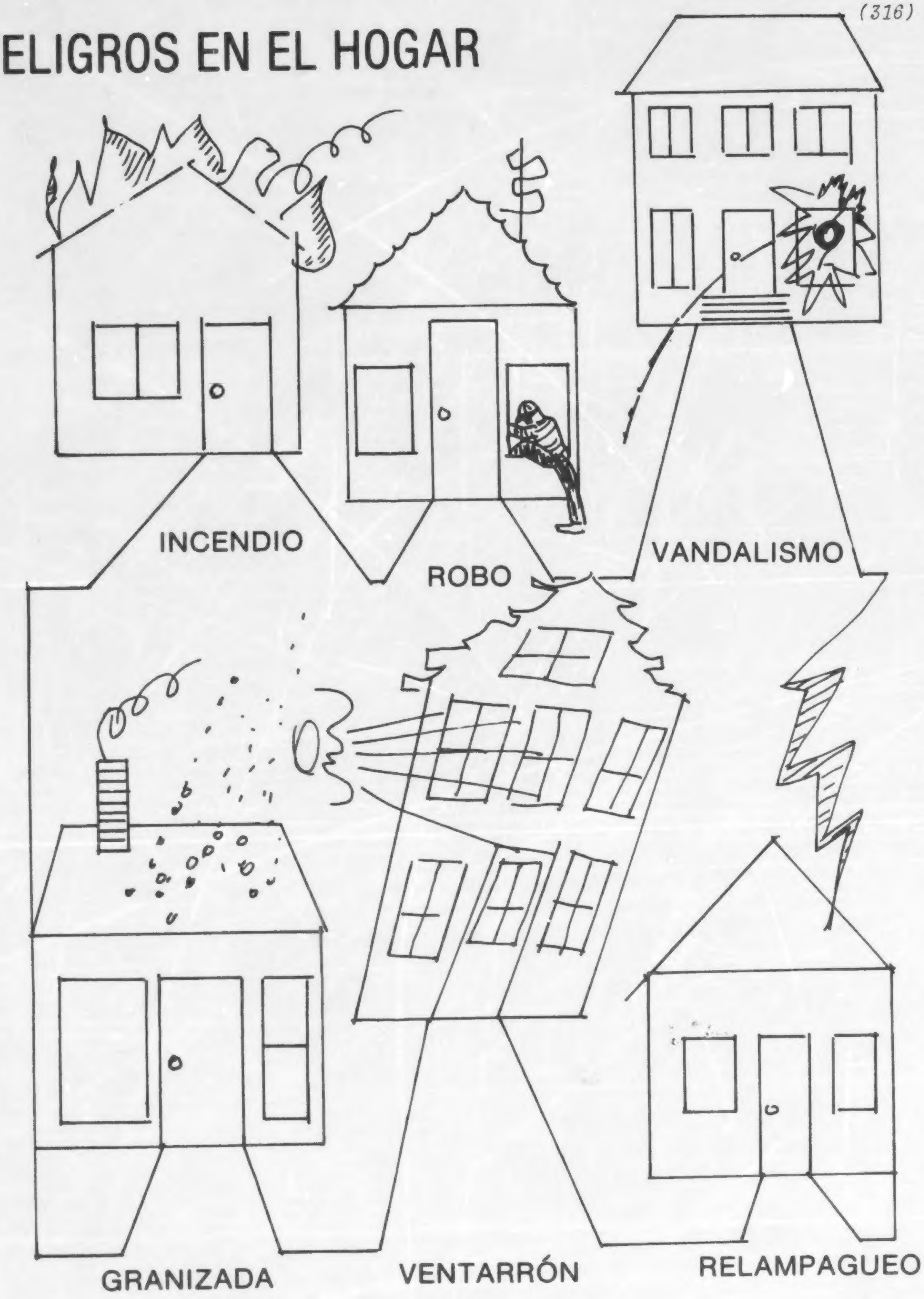
RESUMEN DE LOS TIPOS DE SEGUROS PARA AUTOMÓVILES

(312)

Daño Corporal	Personas protegidas	
	Poseedor del segura	Otras personas
Liabilidad de daño corporal	Sí	Sí
Pagos Médicos	Sí	Sí
Protección contra Manejadores no Asegurados	Sí	Sí
Protección de propiedad	Propriedad protegida	
	Auto del poseedor del segura	Propiedad de otros
Liabilidad de daño de propiedad	No	Sí
Daño físico comprensivo	Sí	No
Colisión	Sí	No

(316)

PELIGROS EN EL HOGAR

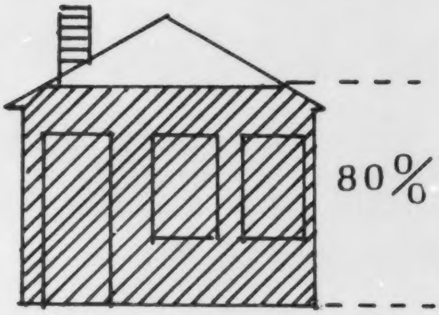

INCENDIO
ROBO
VANDALISMO
GRANIZADA
VENTARRÓN
RELAMPAGUEO

PELIGROS CONTRA LOS CUALES HAY SEGUROS
PÓLIZA DE DUEÑOS DE CASA

FORMAS		*PELIGROS*	
COMPREHENSIVO (HO-5)	BÁSICO (HO-1)	1. Fuego o relámpago 2. Pérdida de propriedad llevada de una localidad por causa de peligro de fuego u otro peligro. 3. Viento o granizo 4. Explosión 5. Motín o comoción civil	6. Avión 7. Vehículos 8. Humo 9. Vandalismo 10. Robo 11. Vidrio roto que constituye una pared de un edificio (no incluído en HO-3 y HO-4)
	AMPLIO (HO-2)	12. Objetos caídos 13. Peso de hielo, niebla, granizo 14. Edificios caídos, en total o en parte 15. Rotura o quema de un sistema de humo o de agua caliente o de un utensilio para calentar agua	16. Inundación de agua o de humo de un sistema para calentar agua o humo o aire acondicionado 17. Congelación de sistemas de calentar agua o de aire acondicionado en la casa. 18. Daño repentino causado por corrientos artificiales en utensilios eléctricos. (Tubos de radio y T.V. no incluídos.
		Todos peligros excepto: inundación, terremoto, guerra, ataque nuclear, y otros mencionados en su póliza. Ver su póliza para una lista completa de los peligros excluídos.	

¿Como conseguiré el beneficio máximo de mi seguro de casa?

(318)

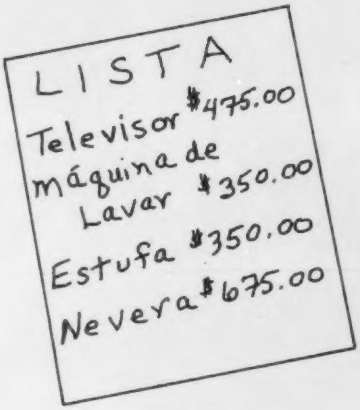


Compre una cantidad adecuada para proteger su casa y posesiones.

Mantega una lista de sus posesiones y el valor de reemplazo.

Repase el programa de seguro con su agente de vez en cuando.

Informe al agente de cualquier pérdida pronto y con todos los detalles necesarios para preparar una reclamación.


LISTA

Televisor	$475.00
máquina de Lavar	$350.00
Estufa	$350.00
Nevera	$675.00

FRASES INCOMPLETAS SOBRE COMPRAS

1. Cuando compro algo grande como una lavadora___

2. Cuando tengo mucho dinero para gastar___

3. Cuando no tengo dinero___

4. Cuando compro ropa nueva para mí___

5. Cuando gasto más para abarrotes de lo que quise___

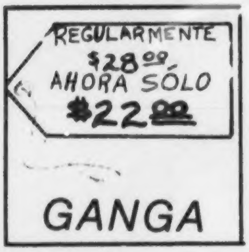
6. Cuando pierdo mis planes por causa de una emergencia___

7. Cuando por fin logro algo que quería por mucho tiempo___

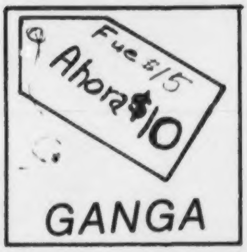
8. Cuando tengo dinero para invitar a mis amigos___

9. Cuando no puedo comprar algo que verdaderamente quiero___

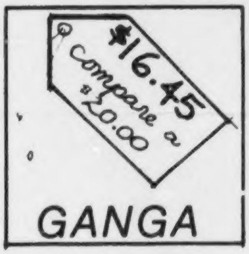
10. Cuando compro algo que en realidad no necesito___


REGULARMENTE
$28.00
AHORA SÓLO
$22.00
GANGA

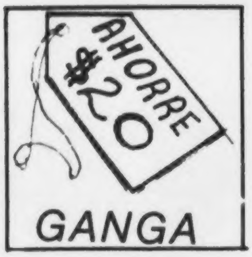
1.


Fue $15
Ahora $10
GANGA

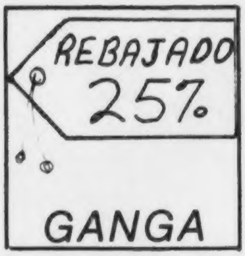
2.


$16.45
Compare a
$20.00
GANGA

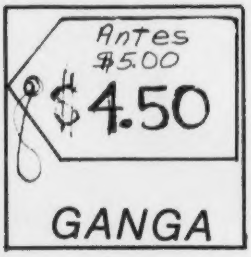
3.


AHORRE
$20
GANGA

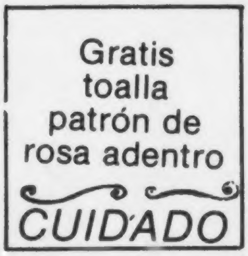
4.


REBAJADO
25%
GANGA

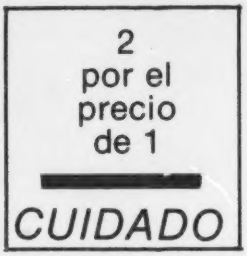
5.


Antes
$5.00
$4.50
GANGA

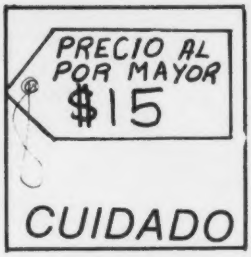
6.


Gratis
toalla
patrón de
rosa adentro
CUIDADO

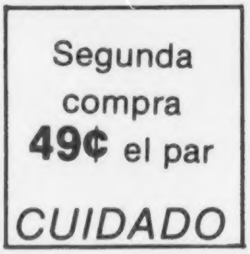
7.


2
por el
precio
de 1
CUIDADO

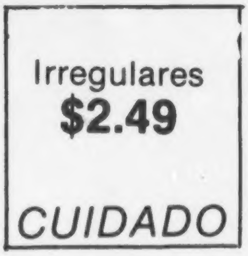
8.


PRECIO AL
POR MAYOR
$15
CUIDADO

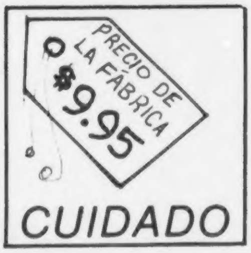
9.


Segunda
compra
49¢ el par
CUIDADO

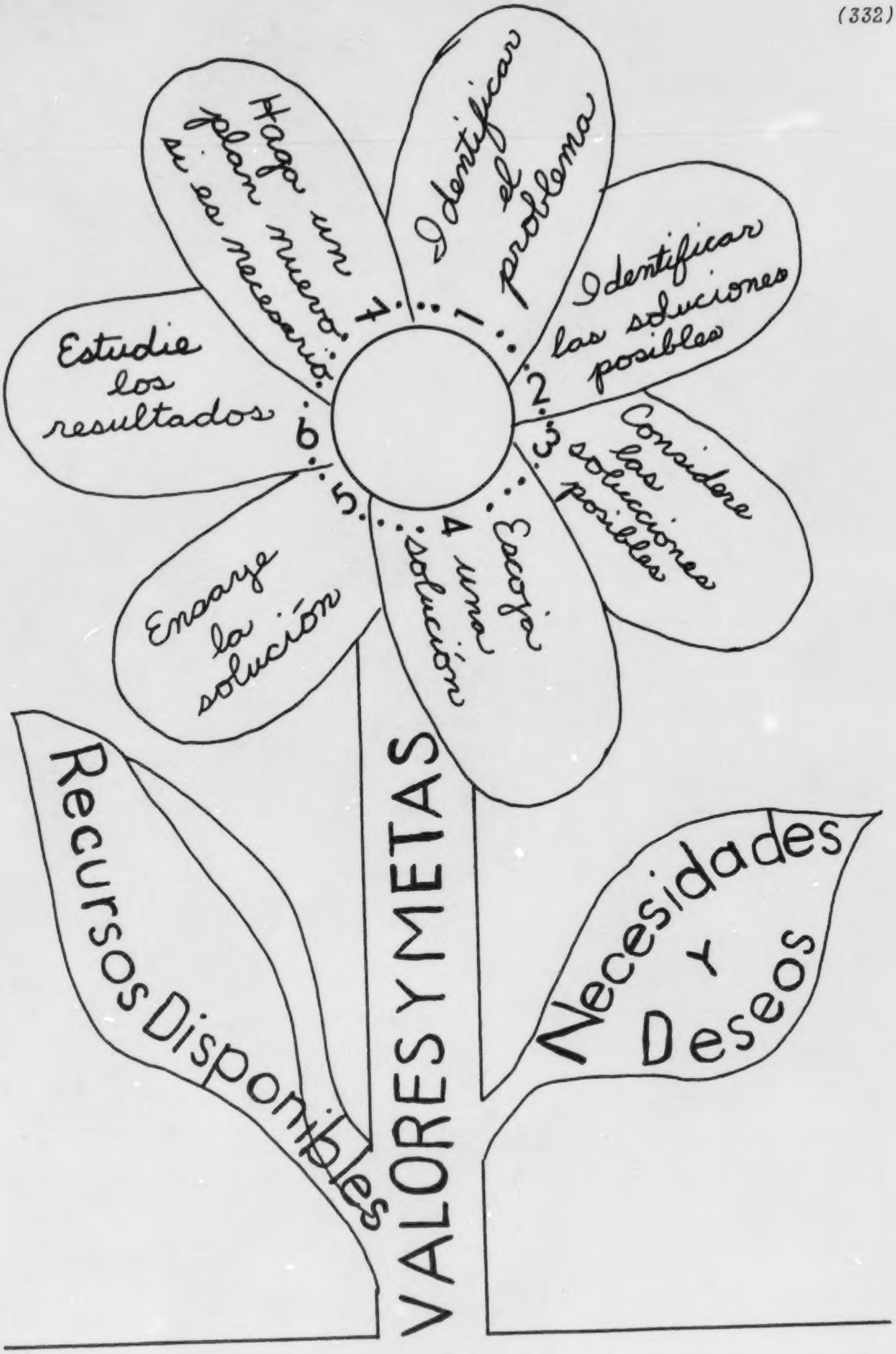
10.


Irregulares
$2.49
CUIDADO

11.

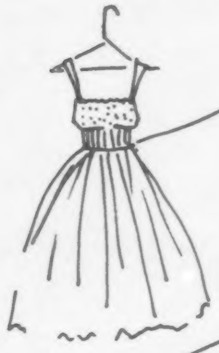

PRECIO DE
LA FÁBRICA
$9.95
CUIDADO

12.


1 Identificar el problema
2 Identificar las soluciones posibles
3 Considere las soluciones posibles
4 Escoja una solución
5 Ensaye la solución
6 Estudie los resultados
7 Haga un nuevo plan si es necesario
Recursos Disponibles
VALORES Y METAS
Necesidades Y Deseos

Articulo necesitado
Vestido de fiesta

Precio
Barato $45-60



Calidad
media

Durabilidad
regular

Número
uno

Medida
10 misses

Color
azul

Estilo
último

Trabajo
acceptable

Comodidad
importante

Tiempo
limitado

Energia
limitada

Espacio
coóset

Cuida necesaria
lavable

Garantia
encogumiento
menos de 2%.
"Color fast"

HACIENDO COMPRAS SIN PLAN

Mary Johnson estaba aburrida un sábado por la tarde. Entonces decidió ir de compras para ponerse más alegre. Entra ahora en "Brown's Department Store."

Mary: ¡Oh, mira! ¡Brown's tiene una venta! ¡A ver lo que ofrecen! Me siento mejor haciendo compras.

Vendedora: ¿En que le puedo ayudar?

Mary: Vi el anuncio en el escaparate. Deseo ver las cosas que están de venta.

Vendedora: ¡Bueno! Tenemos unas cosas muy finas de venta hoy. Puede conseguir unas gangas magníficas.

Mary: ¡Qué vestidos más bonitos! ¡Esto es lo que quiero ver!

Vendedora: De seguro va a hallar uno que le gusta.

Mary: Éste es bonito. Y es exactamente mi color. Y aquí hay otro. Oh, pero no me gustan estos zapatos que tengo. Debo comprar zapatos también.

Vendedora: Entonces quiere los dos vestidos. ¿Desea probarlos?

Mary: Pues, creo que sí.

Vendedora: No tenemos cuartitos desocupados ahorita, pero si puede esperar un momento...

Mary: Oh, ya sé que estarán bien.

Vendedora: De acuerdo, si está segura. ¿Ahora quiere ver unos zapatos?

Mary: Creo que sí.

Vendedora: Tenemos unos zapatos de venta también.

Mary: Es mi día de suerte.

(Mary halla unos zapatos que le gustan.)

Vendedora: ¿Es todo?

Mary: Sí. No quise comprar nada, pero estoy contenta que vine.

Vendedora: Costará $32.50.

Mary: $32.50! Lástima. Gasté demasiado.

Vendedora: Estoy segura de que le van a gustar.

Mary: Hallé unas gangas.

(Más tarde en casa, Mary está delante del espejo probando uno de sus vestidos nuevos. Alguién toca a la puerta.)

Sally: ¡Hola, Mary!

Mary: Entra, Sally.

Sally: Ya veo que fuiste de compras.

Mary: Sí, estaba tan triste. Fuí de compras para ponerme feliz y me equivoqué.

Sally: ¿Por qué? ¿Qué te pasó?

Mary: Compré unos vestidos en Brown's y no esperé para probármelos. No son de mi medida. Creo que engordé un poco.

Sally: ¿Pero puedes usar el otro?

Mary: (Más alegre.) Sí, puedo arreglar el otro. Y compré unos zapatos que combinan con el vestido.

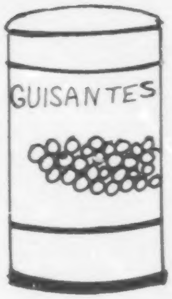
Sally: Esos zapatos son bonitos, pero no tienes otra cosa que te puedes poner con ellos.

Mary: (Tristemente) Tienes razón, Sally. Y gasté $32.50. John necesita una chaqueta nueva, y Judy necesita zapatos nuevos y de veras no necesité nada. (Llora)

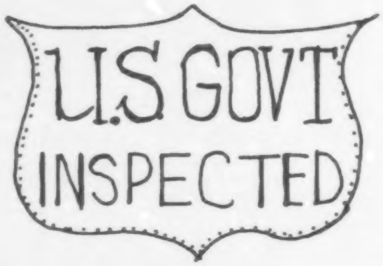
Sally: Mary, no llores.

FUENTES DE INFORMACIÓN PARA EL COMPRADOR

(346)



ETIQUETAS

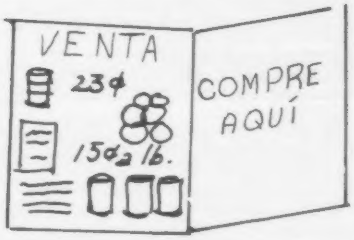

U.S GOVT
INSPECTED

GRADOS U.S. y Estampillas
de inspección

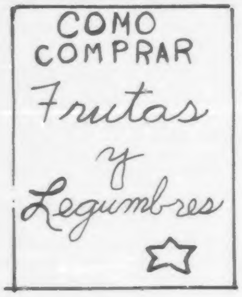
Garantías

ABC
del
CONSUMIDOR

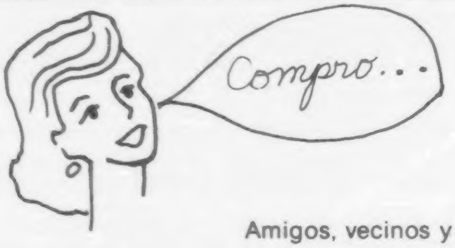
Revistas y libros


VENTA
23¢
15¢ a lb.
COMPRE
AQUÍ

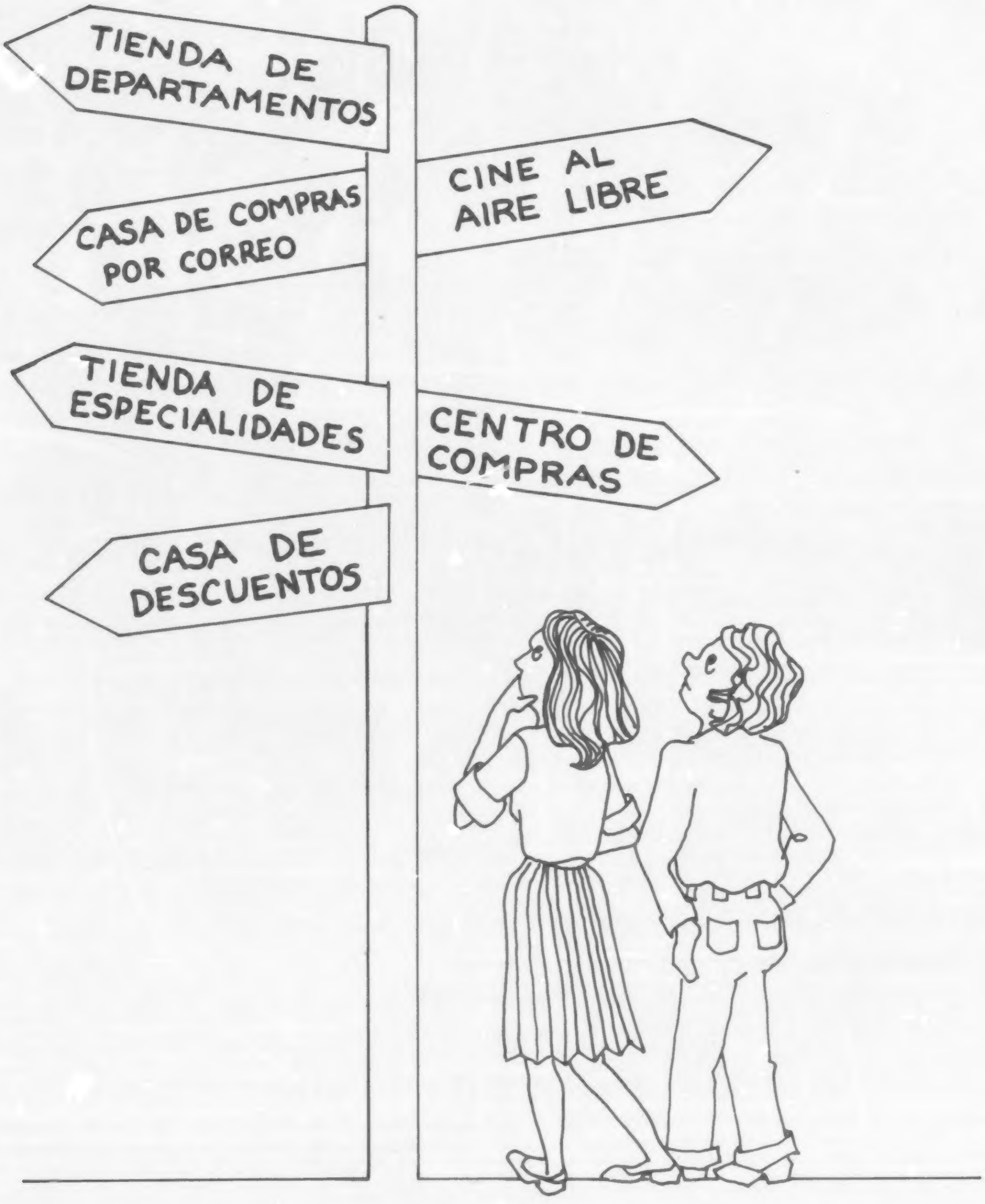
Propaganda


COMO
COMPRAR
Frutas
y
Legumbres

Boletines del gobierno



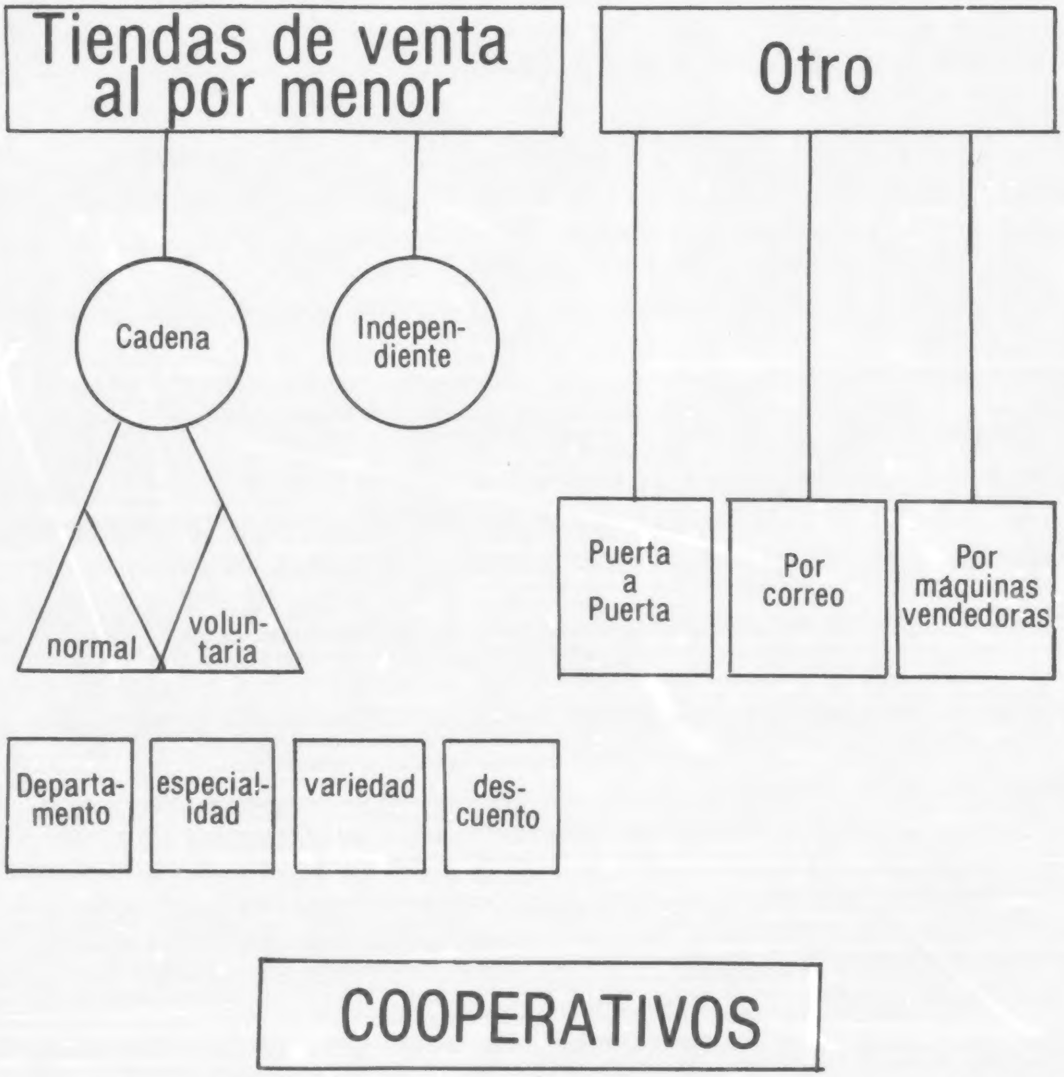
Amigos, vecinos y parientes


TIENDA DE DEPARTAMENTOS
CINE AL AIRE LIBRE
CASA DE COMPRAS POR CORREO
TIENDA DE ESPECIALIDADES
CENTRO DE COMPRAS
CASA DE DESCUENTOS

MANERAS DE COMPRAR

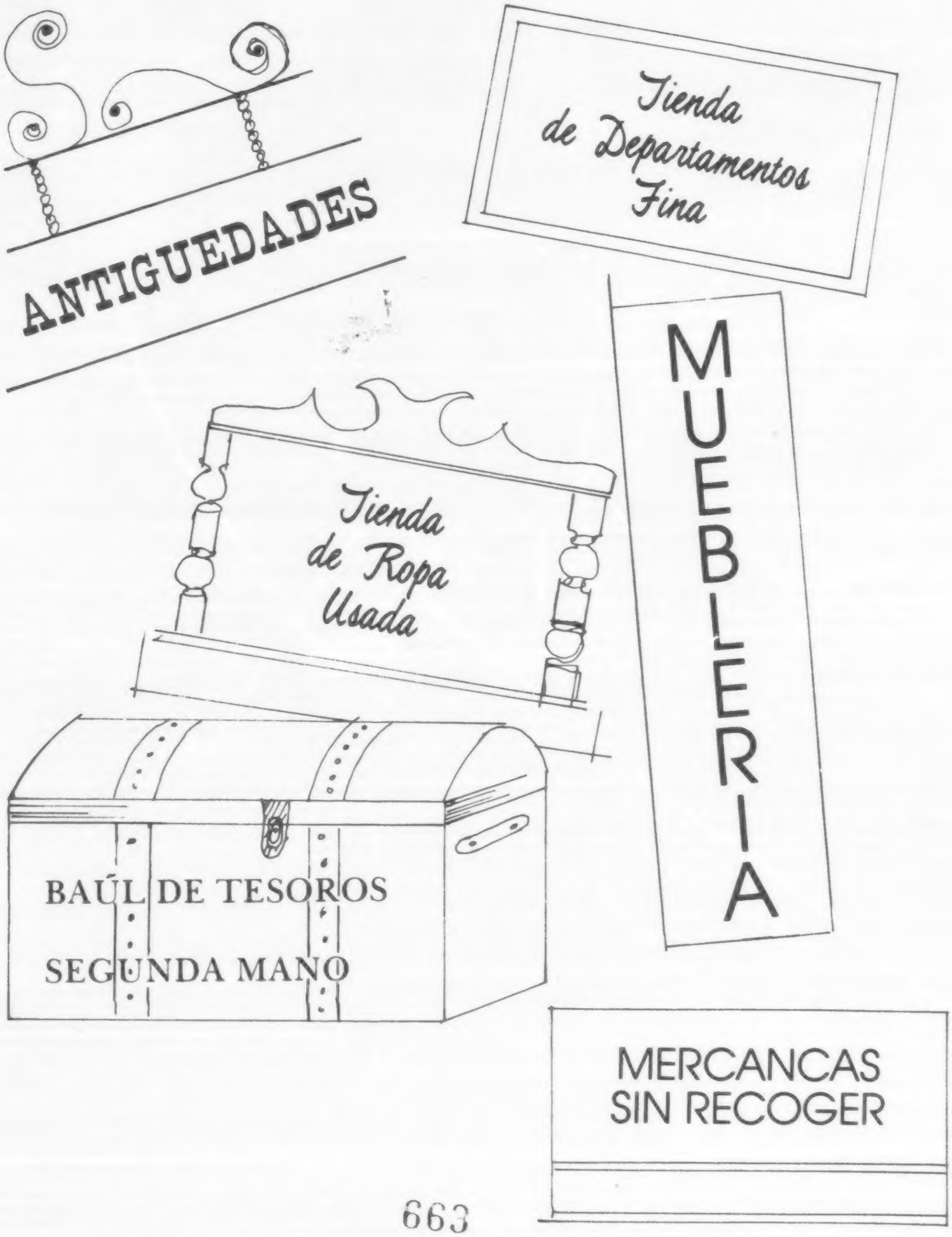
(348)

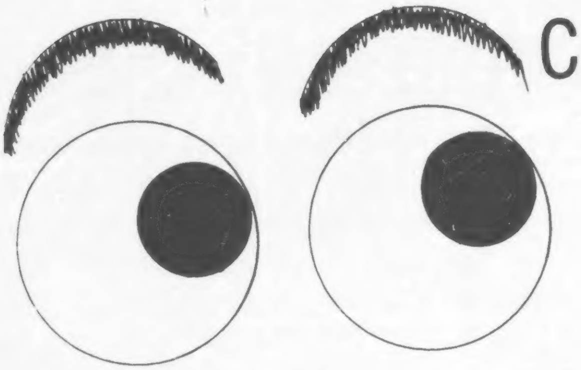
FUENTES DE ARTÍCULOS Y SERVICIOS


Tiendas de venta al por menor
Otro
Cadena
Indepen-diente
normal
volun-taria
Puerta a Puerta
Por correo
Por máquinas vendedoras
Departa-mento
especial-idad
variedad
des-cuento
COOPERATIVOS

Direcciones—Corte las secciones de papel de construcción de colores brillantes. Escriba palabras en letras mayúsculas. (Ponga fieltro al revés de cada sección) Agrege las secciones a la tabla de fieltro al discutir cada fuente de artículos y servicios. Si necesario, use cuerdas para atar.

UN BUEN COMPRADOR COMPRA DE VENDEDORES REPUTABLES


Tienda de Departamentos Fina
ANTIGUEDADES
MUEBLERIA
Tienda de Ropa Usada
BAÚL DE TESOROS
SEGUNDA MANO
MERCANCAS SIN RECOGER



Cuando busca en varios lugares (350

MIRE

Precios
Calidad
Garantias
Etiquetas

INVESTIGUE

Instalación
Entrega
Servicio
Crédito

PREGUNTE

DIRECCIONES—se puede escribir cada palabra en un pedazo de papel de construcción de color. Ponga cada palabra en la tabla de franela al discutir.

SITUACIONES

Tom Johnson ha comprado unas llantas "Mag" para su coche. No tuvo la intención de comprarlas, pero el hombre con quien Tom va al trabajo se paró en una tienda de utensilios para coches y Tom regresa con las llantas. Dice a Ellen lo que ha hecho y ella se pone muy enojada. Su hijo Tommy necesita zapatos nuevos. Ellen tiene una carie y tiene que ir al dentista.

Mary García está haciendo compras con su amiga Wilma Williams. Mary sólo quiso comprar unos pijamas para su hijo Mark, pero de repente vio un vestido magnífico en el escaparate de una tienda. Mary añoraba el vestido nuevo pero ¿Cómo comprarlo? ¿Puede ella olvidar los pajamas de Mark y comprar menos abarrotes?

Julia y Sam Jones estaban comprando abarrotes. Había muchas cosas atractivas para comprar y Sam se detenía para mirarlas todas. Compró "Chips and Dip" cuando una vendedora le habló. Julia escogió unos dulces y coca en "especial," y entonces hubo "T.V. Dinners." Los Jones no habían planeado comprar todas estas cosas. En la caja Sam compró algunas revistas y una cajetilla de cigarros. ¡Les sorprendió mucho a Sam y Julia que habían gastado $35 más de lo que quisieron!

GANGAS

Jane se aprovecha de las ventas de enero. Está buscando una chaqueta para ella y algunas camisas para su esposo. La chaqueta que usa hoy estará vieja a fines de la estación y su esposo no ha tenido bastantes camisas todo el otoño. Su hija es demasiado grande ya para la ropa que tiene, pero puede usarla hasta la primavera.

Jane halla una chaqueta de un estilo tradicional para sí misma. Está de venta con un descuento de 25%. La chaqueta está bien hecha, de buena calidad, y se puede lavar. El color no tiene el tono natural que es mejor para Jane, pero combinará con toda su ropa casual. Jane decide comprar la chaqueta.

También decide comprar tres camisas para su esposo. Tienen un descuento de 40% y son de buena calidad. Además, son "permanent press". Son blancas y tienen cuellos con botones. Jane sabe que los cuellos con botones están fuera de moda ya, pero no quiere perder la ganga.

Jane va a la sección para niños y halla un "jumper" de seda roja a venta con dos por el precio de uno. Es perfecto para su hija. Buscando entre la ropa, halla un vestido de invierno para la escuela, también de la medida de su hija. Dos vestidos con el precio de uno es una verdadera ganga, y Jane está muy contenta de sus hallazgos en la sección de niños.

¡Garantía de Cinco Años Contra Polillas!

Ponemos una garantía en esta cobija de 100% de lana virgen contra todo daño por un período de cinco años de la fecha de compra. Si esta cobija resulta dañada por polillas u otro insecto durante este período de cinco años, devuélvala por correo o a la tienda más cerca y le daremos una cobija de igual calidad, cobrándole sólo por el número de meses que ha tenido la cobija.

GARANTÍA

Garantizamos que esta cafetera eléctrica no tiene defectos en la construcción y el material. Tiene una garantía de un año de la fecha de la venta al consumidor.

Bajo la misma garantía, la compañía hará reparaciones en el utensilio de las partes defectivas, como resultado del uso normal, con la provisión de que la máquina esté limpia como indican las instrucciones puestas aquí, y esté usada con los circuitos de voltaje marcados en la noticia, y que no esté puesta en agua. La compañía repara o repone partes defectivas gratis, bajo esta garantía, si la máquina está mandada a la fábrica con franqueo pagado. En caso de cualquier defecto, escriba directamente a la tienda de servicio más cerca de su casa.

Dentro de 10 días, llene y ponga en el correo esta tarjeta de registración para completar la garantía.

UNA BUENA GARANTÍA INDICA:

- lo que está garantizada
- límites de la garantía
- plazo de tiempo
- lo que hará la compañía
- lo que tiene que hacer el comprador

GARANTÍAS MALAS DEJAN PREGUNTAS

BATA DE FRANELA

1. Flanela de algodón tejido, los dos lados para calentura
2. Encojimiento menos de 1%
3. Costuras dobles
4. Medida de 54 pulgas
5. Cortado específicamente para comodidad ←¿Qué hará el vendedor?
6. Satisfacción garantizada

¿Qué está garantizado? ⟶ GARANTIZADO UN AÑO

BÚSQUEDA

(354)

Artículo comparado:

Tienda A:

Lo que hallé:

Precio:

Calidad:

Tienda B:

Lo que hallé:

Precio:

Calidad:

Tienda C:

Lo que hallé

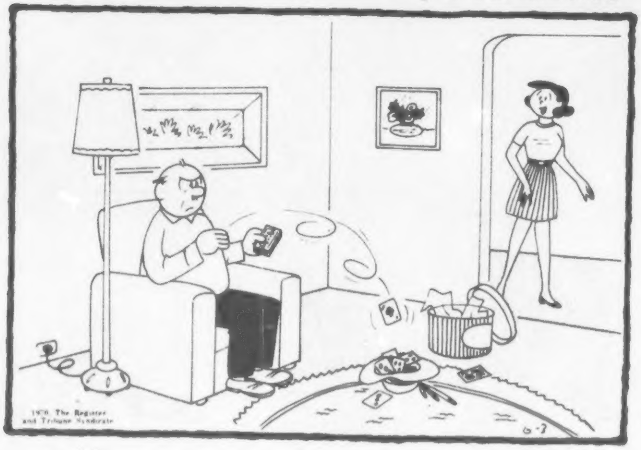
Precio:

Calidad:

668

CARICATURAS SOBRE EL VALOR DE LA ROPA

THE BETTER HALF[1] **By Bob Barnes**


1970 The Register and Tribune Syndicate
6-7

"¡Pues, querido, ya veo que te encanta mi sombrero nuevo!"

OBJECTIVO: Reconocer las diferencias individuales en el valor de la ropa.

¿Compró Ud. una vez un artículo de ropa que le gustaba mucho, y halló que los demás miembros de su familia creyeron que era una compra ridícula? ¿Qué fue?

¿Por qué lo compró?

¿Destruyó el disgusto de su familia el placer que tenía en usar el artículo?

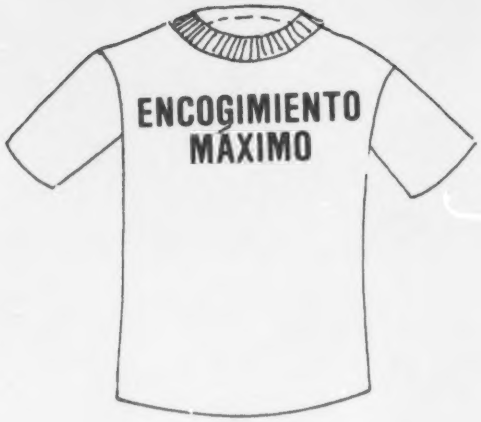
¿Se acuerda Ud. de una compra ridícula de ropa que hizo un miembro de su familia en el pasado?

¿Cómo puede Ud. explicar las ideas distintas sobre lo que conviene y lo que es ridículo?

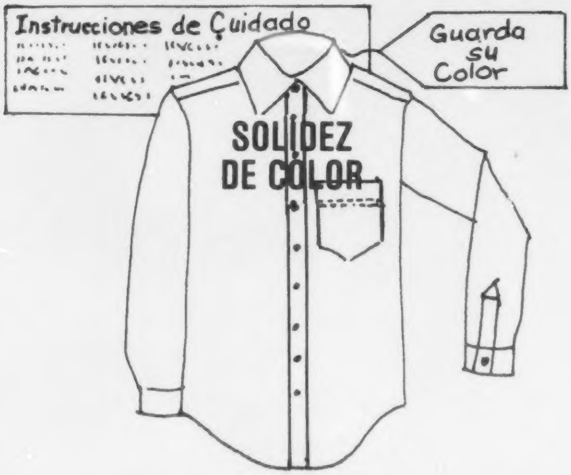
---

[1] **THE BETTER HALF** de Bob Barnes con permiso del Register and Tribune Syndicate, Des Moines, Iowa.

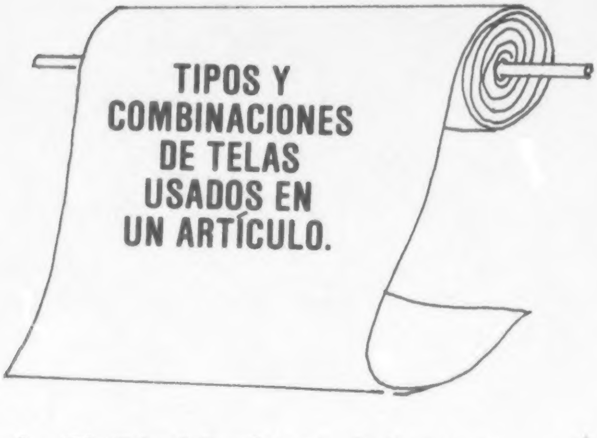
COSAS IMPORTANTES EN LAS ETIQUETAS DE TELA Y DE ROPA


ENCOGIMIENTO MÁXIMO

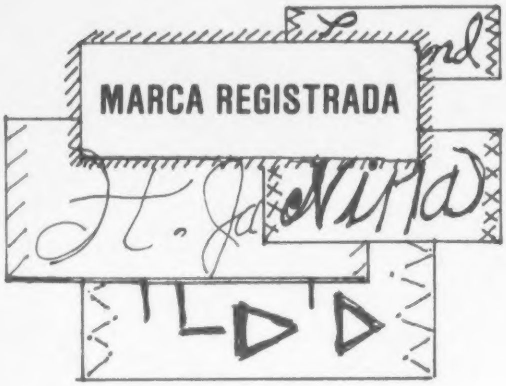
1. Marcas registradas para ropa de lana y el proceso "sanforized" para algodón y seda son buenos.


Instrucciones de Çuidado
Guarda su Color
SOLIDEZ DE COLOR

2. Se puede confiar en las etiquetas del "American Institute of Laundering" y en la información del fabricante.


TIPOS Y COMBINACIONES DE TELAS USADOS EN UN ARTÍCULO.

3. El "Wool Products Labeling Act" y el "Textile Fiber Products Information Act" exigen que la tela tenga una etiqueta que dice el porcentaje contenido por peso en cada artículo de tela.


MARCA REGISTRADA

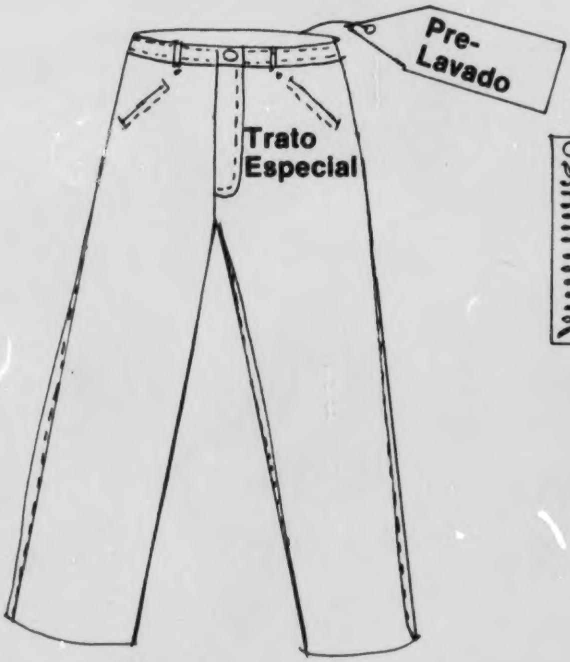
4. Experiencia satisfactoria en el uso de un producto puede ser un factor en la selección de la misma marca registrada.

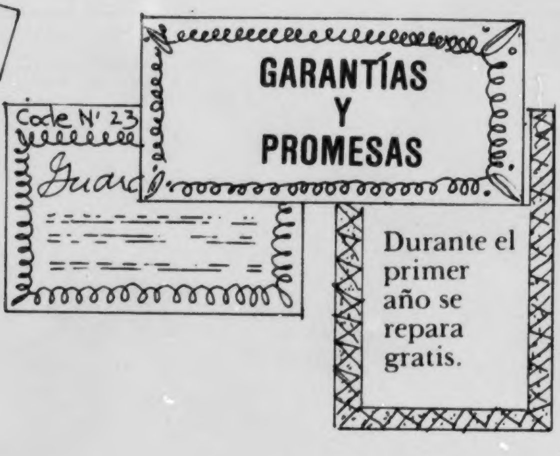
ETIQUETAS
ESPECIALES

INFORMACIÓN
ESPECIAL

5. Busque información sobre la manera de fabricar o de preparar.

6. Le ayudarán informes sobre como limpiar y como cuidar su artículo; su reacción al calor y otras características.


Pre-
Lavado
Trato
Especial


Code N° 23
Guar
GARANTÍAS
Y
PROMESAS
Durante el primer año se repara gratis.

7. ¿Han tratado el artículo para resistir el agua o para que dure más o para cambiar su apariencia?

8. Se debe notar las promesas del fabricante.

JOSÉ SELECCIONA UN ABRIGO

Use su propia hoja para responder a las preguntas siguientes:

I. José quiere comprar un abrigo nuevo. Tiene dos abrigos viejos—uno de dos años y uno para la escuela de un año. Va a la universidad el otoño que viene y desea un abrigo adequado para la escuela. Abrigo núm. 2 le da una apariencia muy guapa. El abrigo núm. 2 es más práctico. El abrigo 3 es bueno todo el año. Si escoge el abrigo número 1, ¿qué valores sigue?

¿Qué valores abandona si no escoge el abrigo II (¿o ventajas?)

¿Qué valores abandona si no escoge el abrigo III?

¿Qué desventajas ve Ud. en el abrigo I? ¿El abrigo II? ¿El abrigo III?

¿Qué abrigo cree Ud. que debe escoger? ¿Por qué?

¿Tendría el abrigo que escogería Ud. un lugar en su propio armario? ¿Por qué? Si no, ¿cuál escogería Ud? ¿Por qué?

Hable con uno de sus amigos de clase para determinar cual abrigo escogería él/ella y ¿por qué?

¿Por qué hay una diferencia en las preferencias?

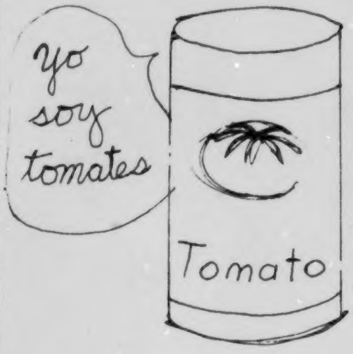
[Nota al profesor: Muestre dibujos de tres abrigos de moda que posiblemente escogería un "senior" de la escuela secundaria. El abrigo I debe ser muy elegante, y tal vez no muy práctico. El abrigo II debe ser muy atractivo pero más practico que el número I. El abrigo III es bueno para todo el año.]

EXAMINANDO ETIQUETAS

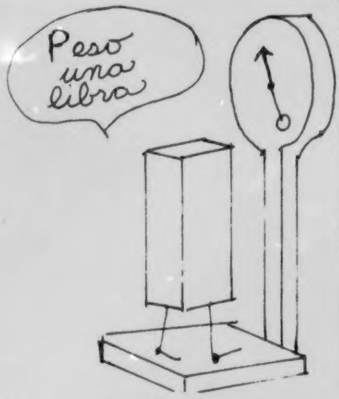
DIRECCIONES: Use la columna marcada "Grupos de comida" para el lado izquierdo de un cartel grande. Muestre dibujos de una variedad de legumbres, carnes, etc., en cada división. Use el otro lado del cartel, dividido en secciones, para planear las comidas de un día. Use dibujos de comidas distintas para ayudar a los participantes en la tarea de planear las comidas de un día. El lado derecho puede ser una tabla de franela. Los participantes pueden revisar sus menús si cuentan las porciones en cada grupo.

	Desayuno	Comida	Cena	Merienda
Grupo de carne (2 porciones o más)				
Grupo—Legumbres Fruta (4 porciones o má)				
Grupo-Pan Cereal (4 porciones o más)				
Grupo leche Cierta leche				
Grupo—Grasa—óleo				
Azúcar, dulces				
Otro				

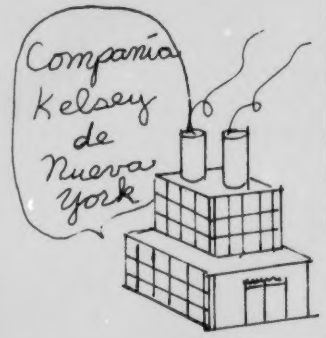
EXAMINANDO ETIQUETAS (370)


Yo soy tomates
Tomato

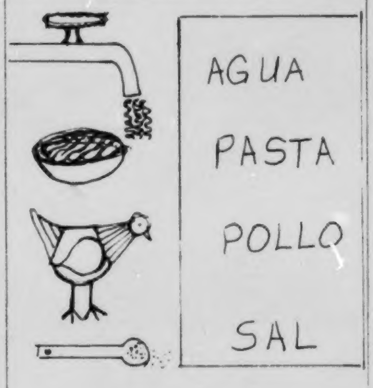
Nombre usual


Peso una libra

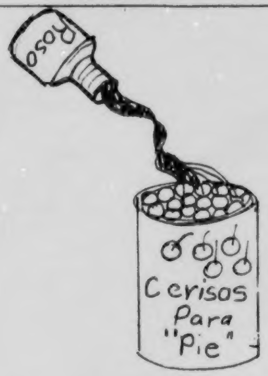
Cantidad del contenido


Compañía Kelsey de Nueva York

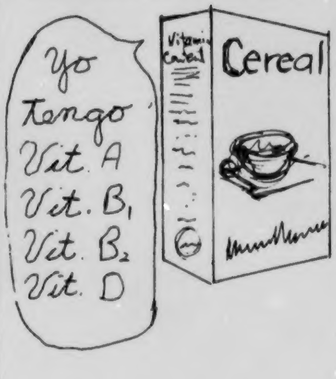
Nombre y dirección de la compania y del distribuidor


AGUA
PASTA
POLLO
SAL

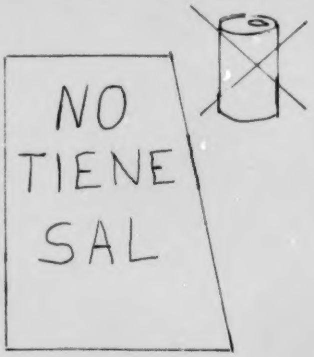
Contenido


Rojo
Cerisos Para "Pie"

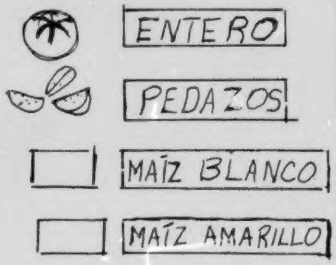
Color artifical
sabor artificial
química para preservación


Yo Tengo Vit. A Vit. B1 Vit. B2 Vit. D
Vitamin Cereal
Cereal

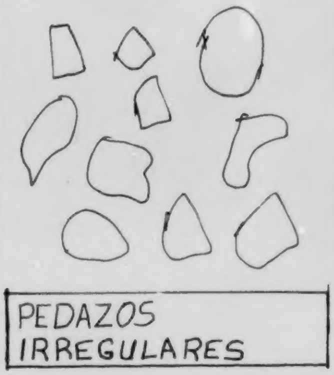
Contenido de vitaminas


NO TIENE SAL

Información adicional


ENTERO
PEDAZOS
MAÍZ BLANCO
MAÍZ AMARILLO

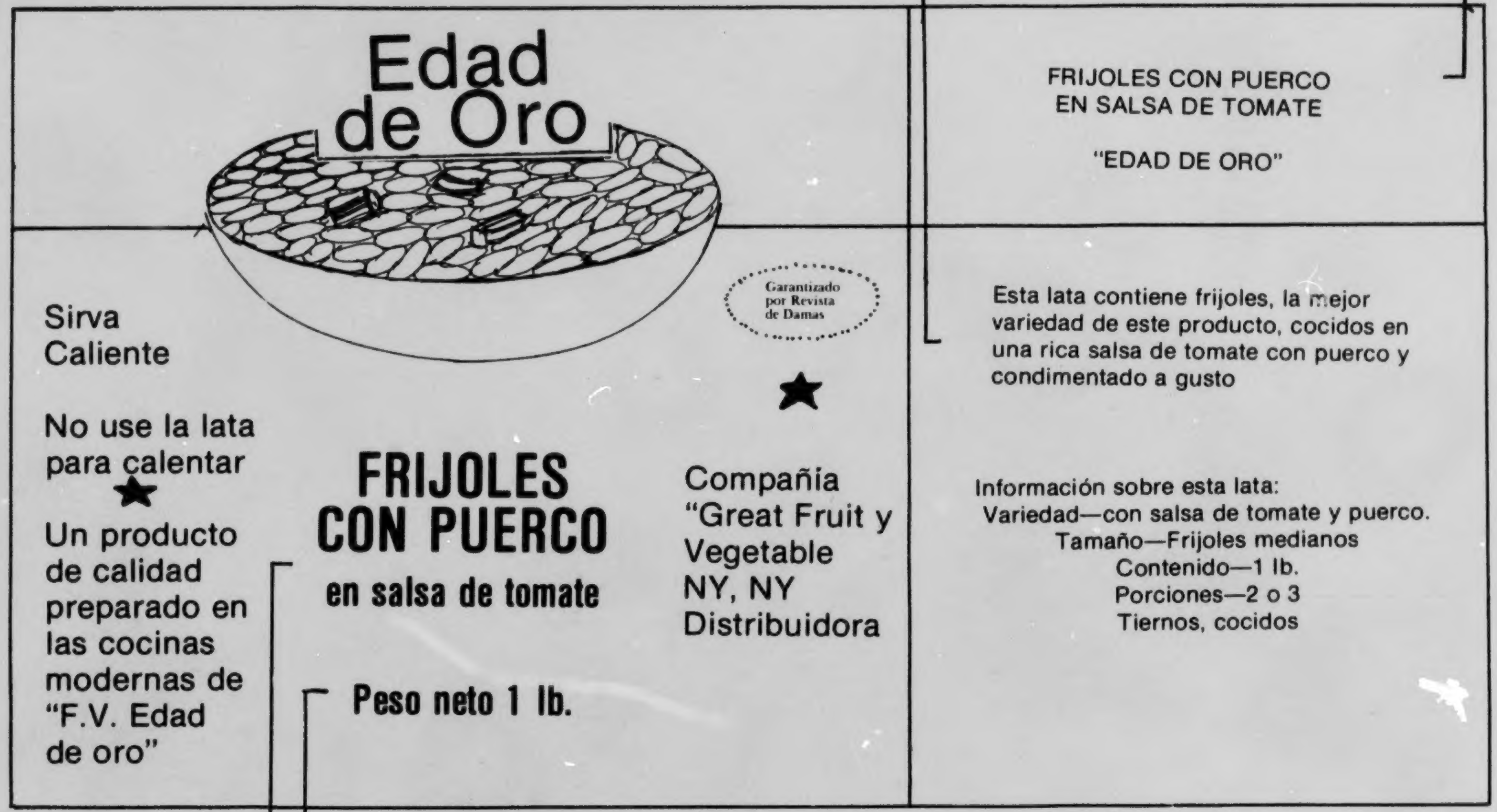
Manera de presentación


PEDAZOS IRREGULARES

Info. mación especial

Manera de Enlatar

Ingredientes



Edad de Oro

Sirva Caliente

No use la lata para calentar

★

Un producto de calidad preparado en las cocinas modernas de "F.V. Edad de oro"

FRIJOLES CON PUERCO

en salsa de tomate

Peso neto 1 lb.

Garantizado por Revista de Damas

★

Compañia "Great Fruit y Vegetable NY, NY Distribuidora

FRIJOLES CON PUERCO
EN SALSA DE TOMATE

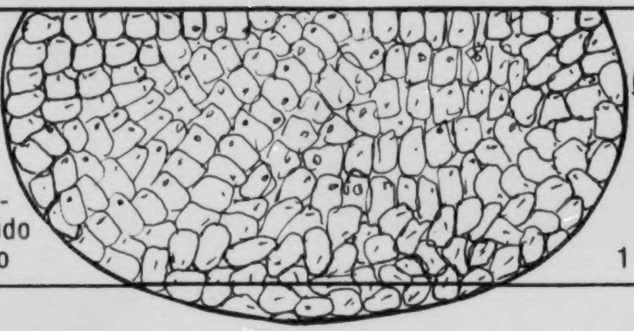
"EDAD DE ORO"

Esta lata contiene frijoles, la mejor variedad de este producto, cocidos en una rica salsa de tomate con puerco y condimentado a gusto

Información sobre esta lata:
Variedad—con salsa de tomate y puerco.
Tamaño—Frijoles medianos
Contenido—1 lb.
Porciones—2 o 3
Tiernos, cocidos

Nombre común o usual

Cantidad del contenido



MEJORCALIDAD DE

CANNER'S

contenido neto

1 lb. de peso

CANNER'S HELOTE DORADO DE GRANO ENTERO

Información sobre Comida CANNER'S

Nombre de producto — Grado A (Especial) Helote Dorado de Grano Entero

REG. U.S. PAT. OFF.

Helote CANNER'S viene directamente del jardín, lleno de sabor y delicioso. Los granos son tiernos y tempranos, bien cuidados y con un color dorado natural.

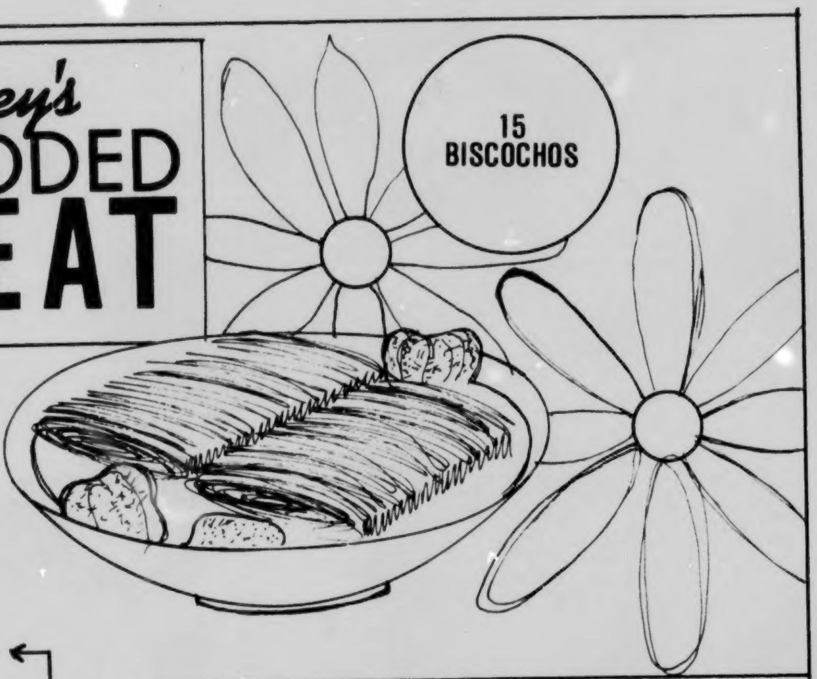
Sirva el contenido bien caliente con una cantidad generosa de mantequilla. Para variedad, combine helote CANNER'S con habas o judías CANNER'S para un sabor magnífico.

Varietad	Variedad	Dulce Dorado
Estilo	Tipo	Helote
Ingredientes	Condimento	Contiene Azúcar y Sal
	Tamaño de Lata	303
Cantidad de Contenido	Contenido	1 lb.
	Tazas	Aprozo. 2
	Porciones	4

Kelsey's

SHREDDED

WHEAT



Peso neto. 100 oz.

Cantidad del contenido

Nombre del producto

Kelsey's

Shredded

WHEAT

100% Trigo Entero

Información dietaria

Todo entero
No hay sal
Ideal para dietas sin sal.
Cada biscocho contiene 70 calorías.

Contenido de vitaminas

Químicas para preservación

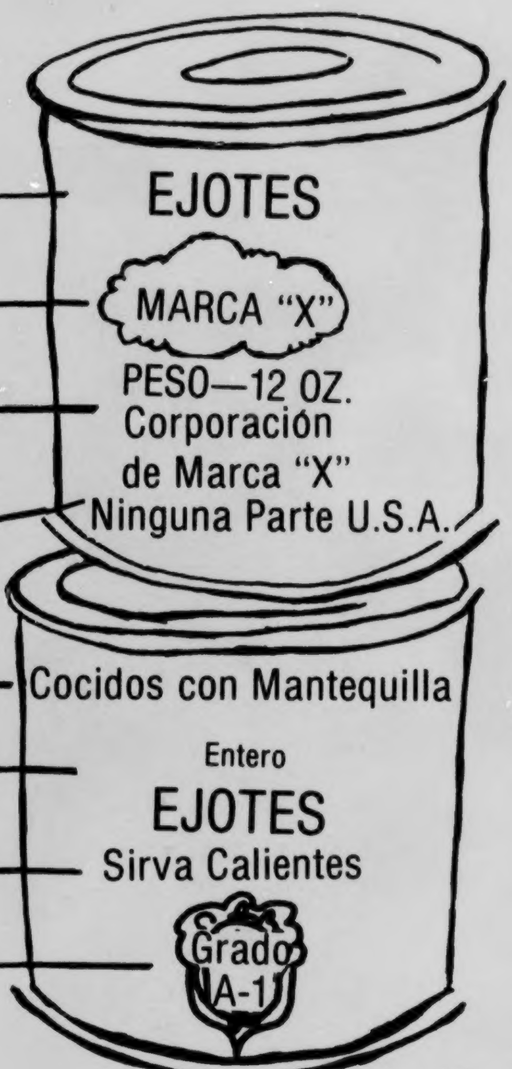
La porción normal de dos biscochos contiene las vitaminas siguientes: 16% fósforo, 12% hierro, 13% niacina, 100 gramos de "Kelsey's Shredded Wheat" contienen 1 miligramo de sodio. Hay BHT en la preparación para preservar la frescura.

Nombre y dirección del fabricante

Hecho por la compañía Kelsey.
Alguna parte, Mich. 49070, USA

UNA BUENA ETIQUETA INDICA[1]

1. El nombre del producto
2. La marca registrada
3. El peso del contenido
4. Nombre y dirección de la compañia
5. Información adicional
6. Descripción del producto
7. Instrucciones
8. Grado (si hay)


EJOTES
MARCA "X"
PESO—12 OZ.
Corporación
de Marca "X"
Ninguna Parte U.S.A.
Cocidos con Mantequilla
Entero
EJOTES
Sirva Calientes
Grado
A-1

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[1] Reimpreso con permiso del "Vocational media center," Clemson University y "Office of Vocational Education," State Department of Education, Columbia, South Carolina.

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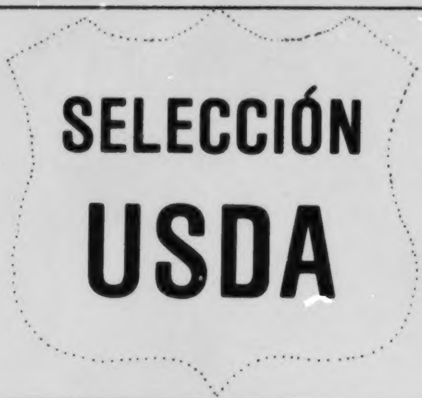
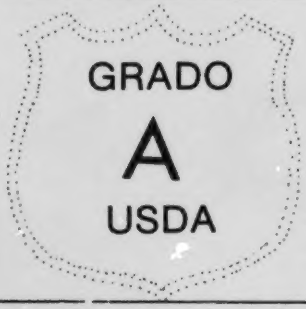
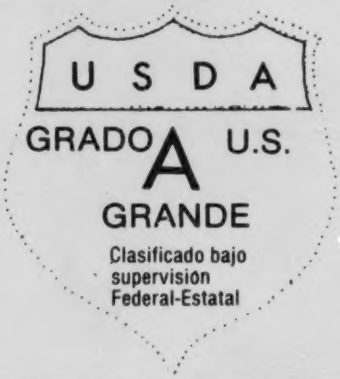
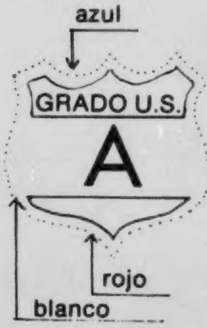
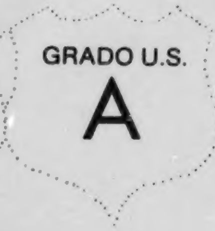
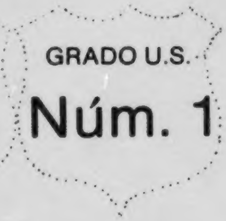
 SELECCIÓN USDA	**CARNE** • CARNE DE RES • CORDERO • CARNERO • TERNERA • CARNERO PRIMAL
 GRADO A USDA Inspección Federal-Estatal	**AVES** • PARA FREIR O ASAR EN PARRILLAS • PARA GUISAR • PAVOS • PATOS • GANSOS • GALLINAS DE GUINEA
 U S D A GRADO A U.S. GRANDE Clasificado bajo supervisión Federal-Estatal	**HUEVOS**
 azul GRADO U.S. A rojo blanco   GRADO U.S. Núm. 1	**FRUTAS FRESCAS Y LEGUMBRES**

Domingo				Lunes			
Desayuno	Comida	Cena	Merienda	Desayuno	Comida	Cena	Merienda
Huevos revueltos	Lonches de queso	Pollo en salsa			Lonches de "Peanut Butter"	Cacerola de queso y pollo	
		zanahorias					
Jugo				Jugo			
Papas	Melocotones	Puré de papas Guisantes "pie" de manzanas			Apio "pie" de manzanas	Judías Melocotones	
	Pan	Biscochos		Tostado "Búlgaro"	Pan 2 rebanadas	Pan arroz	
Leche para niños	chocolate caliente	Leche para niños en salsa de pollo		Leche	Leche	Leche para niños	Leche para niños
Margarina		Margarina		Margarina			
Café		Té		Café		Té	

Martes				Miércoles			
Desayuno	Comida	Cena	Merienda	Desayuno	Comida	Cena	Merienda
	Sopa de frijoles	Sopa de frijoles Carne fritada			"Peanut butter"	Carne molida	
		Verduras				Verduras	
Jugo				Toronja			
	Apio manzana	helote		Uvas secas	ensalada de papas	ensalada de papas manzana	
Panqueques	Pan de helote	Biscochos de Peanut Butter		Harina de Avena	2 rebanadas	Pan de helote	
Leche para niños	Leche	Leche para niños		Leche	Leche tostado de queso	Leche para niños	
Margarina				Margarina		Margarina	
Jarabe							
Café		Té		Café		Té	

Jueves				Viernes			
Desayuno	Comida	Cena	Merienda	Desayuno	Comida	Cena	Merienda
	Lonches de Bologna	Frijoles al horno			Frijoles	Pescado frito	
Naranjas				Naranjas			
Uvas secas Plátano	Sopa de papas Plátano	Ensalada de repollo y zanahorias			Uvas secas	Puré de papas Ensalada de col	
Grits de helote sobras de pan de helote	Pan 2 rebanadas	Biscochos		Panqueques	Pan de helote Arroz Flan con uvas secas	Pan	
Leche	Leche	Leche para niños Flan de chocolate		Leche	Leche	Leche para niños	Leche para niños
Margarina							
				Jarabe			
Café		Té		Café		Té	

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Sábado

Desayuno	Comida	Cena	Merienda	Desayuno	Comida	Cena	Merienda
	Lonches de "Peanut Butter"	Salsa de tomate y carne en arroz					
	Zanahorias Crudas						
Naranjas		Tomates en salsa de carne					
		Ciruelas					
Harina de avena Tostado	Pan, 2 rebanadas Bollos dulces	Arroz Bollos dulces					
Leche	Leche	Leche para niños					
Margarina							
Café							

COMIDA USADA ESTA SEMANA

(Cantidad para una familia de 4 personas)

Grupo de carne

Picadillos	1 lata (1 libra, 14 onz.)
Pollo	1 lata (3 lbs., 2 onz.)
Picadillos	1 lb.
Bologna	1/2 lb.
Filete de pescado	1 lb.
Huevos revueltos	9 onz.
Huevos frescos	9
Frijoles secos	2 lb.
"Peanut Butter"	1 lb.
Guisantes	1/2 lb.

Grupo Fruta, Legumbres

Jugo	1 lata (4 onz.)
Tomates	1 lata (16 onz.)
Papas	1 lb.
Uvas secas	1 lb.
Ciruelas	1/2 lb.
Manzanas	3 lb.
Plátanos	1 lb.
Naranjas	6
Toronjas	2
Repollo	2 lbs.
Zanahorias	2 lbs.
Apio	2 lbs.
Verduras	2 lbs.
Cebollas	1 lb.
Papas	5 lbs.
Melocotones	1 lata (29 onz.)
Habas	1 lata (16 onz.)
Guisantes	1 lata (16 onz.)

Grupo Pan, Cereales

Harina "All-Purpose"	5 lb.
Avena	1 1/2 lb.
Masa de maíz	2 1/2 lb.
Arroz	1 1/2 lb
"Bulgar"	1/2 lb.
Grits de maíz	1/2 lb.
Pan blanco	4 de 1/2 lb c/u

Grupo de leche

Leche seca	4 lb.
Queso	1 1/2 lb
Leche evaporada	2 latas de 14 1/2

Otra comida

Mantequilla	1 1/4 lb
Manteca	1 lb.
Margarina	1 lb.
Salsa para ensaladas	1/2 pt.
Sirope hecho de helote	1 pt.
Azúcar, granulado	2-1/4 lb
Café	2/3 lb
Té	2/3 lb
Té	
Cocoa	
Condimento	

Estas comidas están planeadas para una familia de un padre, una madre, un hijo de 11 años y una hija de 1 año.

GRUPOS BÁSICOS DE COMIDA
(Para Repartir)

GRUPOS DE COMIDA	COMIDAS INCLUÍDAS
Carne 2 porciones o más (carne, aves, pescado, huevos, nueces)	Rez, cordero, puerco; carnes varias tales como hígado, corazón, lengua, carnes de merienda, tocino, puerco salado, comidas que contienen carne en parte. Aves, pescado, huevos usados para la comida, habas de todas clases, productos de soya, nueces, "peanut butter," sopas con legumbres
Grupo-legumbres—fruta 4 porciones o más legumbres-verdes o amarillas para vitamina A (por lo menos cada tercer día)	Bróculi, coliflor, espinaca, chiles, zanahorias, calabaza, camote.
Fruta o tomates para vitamina C (diariamente)	Toronja, limones, limas, naranjas, tangerinas, tomates.
Otras frutas y legumbres-incluye papas	Aspárago, remolacha, lechuga, pepinos, ejotes, ocra, cebolla, manzanas, plátanos, ceresas, higos, uvas, melones, melocotones, peras, uvas secas, todas las legumbres y frutas no incluídas en otros grupos. Papas naturales y preparadas.
Grupo de Pan-Cereales 4 porciones o mas (harina, pan, cereal, productos de panadería)	Harina y masa. Cereales incluyen cereales preparados. Arroz, "hominy." Pasta, macaroni, espageti, pan, pastel y otros productos de la panadería, comida mixta que contiene cereales. Leche entera u otra, seca, condensada. Queso, crema, helado.
Grupo de leche: Leche, queso y helado pueden dar una parte de la porción diaria de leche. Niños, 3 o 4 tazas; adolescentes 4 tazas o más; adultos, 2 tazas o más.	Mujeres embarazadas—4 tazas o más. Mujeres con bebés—6 tazas o más Mantequilla, margarina, mayonesa, salsa para ensaladas, óleos para cocinar, manteca, y otras preparaciones.
Grasas y Aceites	Mantequilla, margarina, mayonesa, aliño, aceites para ensaladas y para cocinar, pringues, grasa, cochevira, grasa para pastelería, sebo.
Azúcar, Dulces	Azúcar (remolacha o de caña) de grano, en polvo, moreno; azúcar de arce. Melaza, jarabe, miel, dulces. Mermeladas, productos preservados y preparados para postres.
Otro	Café, té, y otras comidas que no caben en otro grupo.

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Desayuno	Comida	Cena	Merienda	Desayuno	Comida	Cena	Merienda

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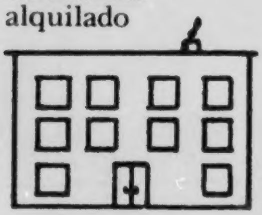
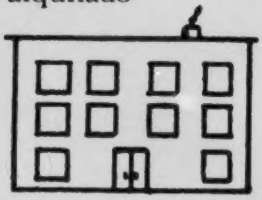
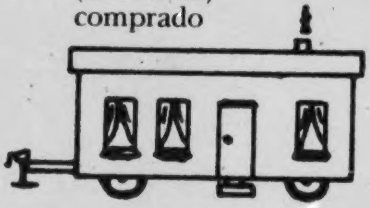
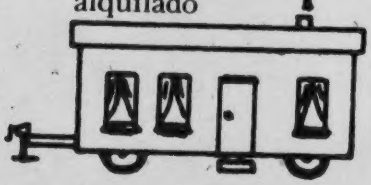
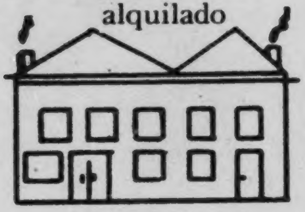
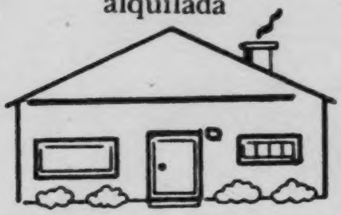
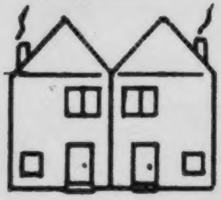
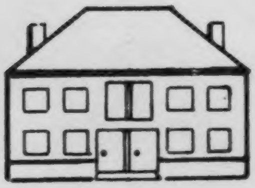
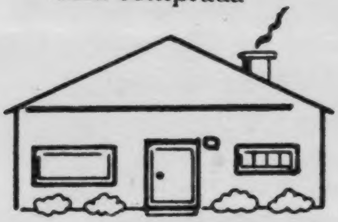
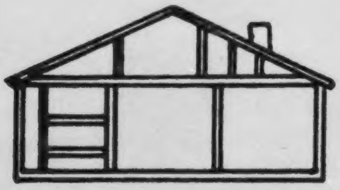
SELECCIONES DE CASAS

Variedad de Casas	Descripción de la vivienda	La casa que escoge y explicación
Apartamento amueblado alquilado 	Muebles incluídos. Tiene baño privado. Cuidador tiene la responsabilidad de mantenimiento y reparaciones.	
Apartamento sin muebles alquilado 	Muebles no incluídos. Tiene baño privado. Cuidador tiene las responsabilidades generales de mantenimiento y reparaciones.	
"Mobile Home" (Caravana) comprado 	Usted paga la renta del terreno para la caravana. Mantenimiento del terreno es la responsabilidad del rentador.	
"Mobile Home" (Caravana) alquilado 	La renta pagada incluye el uso del terreno y de la caravana. El mantenimiento del terreno es la responsabilidad del rentador. Impuestos sobre la caravana son la responsabilidad del dueño.	

Variedad de casas	Descripción de la vivienda	La casa que escoge y explicación
Rent F Cuarto amueblado alquilado 	Un cuarto con muebles. Usualmente, no hay facilidades de cocina. Usualmente con un baño no privado.	
t Casa no amueblada alquilada	No incluye muebles y utensilios mayores. Dueño tiene la responsabilidad mayor de mantenimiento, reparaciones e impuestos. Generalmente se exige un contrato.	
Casa amueblada alquilada 	Incluye muebles. Incluye utensilios mayores. Dueño tiene la responsabilidad de mantenimiento, reparaciones e impuestos. A veces se exige un contrato.	
"Duplex" Comprado	Tiene dos apartamentos separados e idénticos en una vivienda. Es posible vivir en uno y rentar el otro. El dueño tiene la responsabilidad total de mantenimiento.	

Variedad de casas	Descripción de la vivienda	La casa que escoge y explicación
Rt "Duplex" Alquilado 	Ud. alquila una o dos de los apartamentos idénticos en su propia vivienda. El dueño tiene la responsabilidad total de mantenimiento. El rentador tiene las mismas responsabilidades.	
"Condominium" Comprado 	Usted compra un apartamento especificado en el edificio. Pasillos, terreno comprados juntamente por todas las personas en el "condominium" cada dueño paga anualmente el costo del mantenimiento.	
Casa comprada 	El comprador puede proveer los muebles. El dueño tiene la responsabilidad de mantenimiento y reparaciones y los impuestos sobre la propiedad.	
Construir su propia casa 	Usted paga y construye, o hace construir, la casa con el plan que Ud. desea. El dueño tiene la entera responsabilidad de impuestos, ma[illegible]imiento y reparaciones.	

EL COSTO DE MUEBLES PARA SU PRIMERA CASA

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Los esenciales. Estos, son lo que Ud. puede escoger como muebles básicos para una casa pequeña hoy día. Estos precios no representan una guía de precios.

Para una casa más cómoda, los que quieren gastar más dinero pueden substituir un artículo por otro.

SALA	TOTAL $461.65
Sofá de 3 cojines	$159.95
Mesas pequeñas ($34.95 c/u)	69.90
Dos lámparas de mesa ($24.99 c/u)	49.98
Alfombra	59.99
Cortinas	32.96
Mecedora de madera	37.95
Almohada para mecedora	10.97
Estante para libros	39.95

SALA	TOTAL $401.87
Sofá "sleeper"	199.95
Silla simple	119.95
Mesa para café	49.98
lámpara grande	31.99

COMEDOR	$323.16
Mesa y 4 sillas	219.95
Mantel 52" x 70"	8.97
Servilletas de tela, 4	3.99
Platos, etc. "Ironstone," 45 piezas. Servicio para 8	44.76
Utensilios "stainless steel" servicio para 8	33.00
Vasos, 8 de 3 tamaños	12.49

COMEDOR	$27.99
Vasos para vino (8)	16.00
Cuchillos para 5 personas	11.99

RECÁMARA	$541.91
Colchón tamaño doble $87.95 c/u	175.90
Montura de metal con ruedecillas	18.88
Cobija para colchón	6.99
Dos almohadas estandard $5 c/u	10.00
4 fundas de almohada 3.99 c/u	15.96
4 sábanas de percal-estandard $5.45 c/u	21.96
Cobija de sábana	5.49
Cobijas de lana y nilón $13.99 c/u	27.89
Sobrecama	21.96
Mesa de noche	57.97
Lámpara de mesa	17.99
Radio con despertador	37.97

RECÁMARA	$241.87
Cabeza de cama (doble)	$36.95
Tocador (9 cajones)	159.95
Espejo con marco 23"x31"	24.99
Canasto de mimbre	19.98

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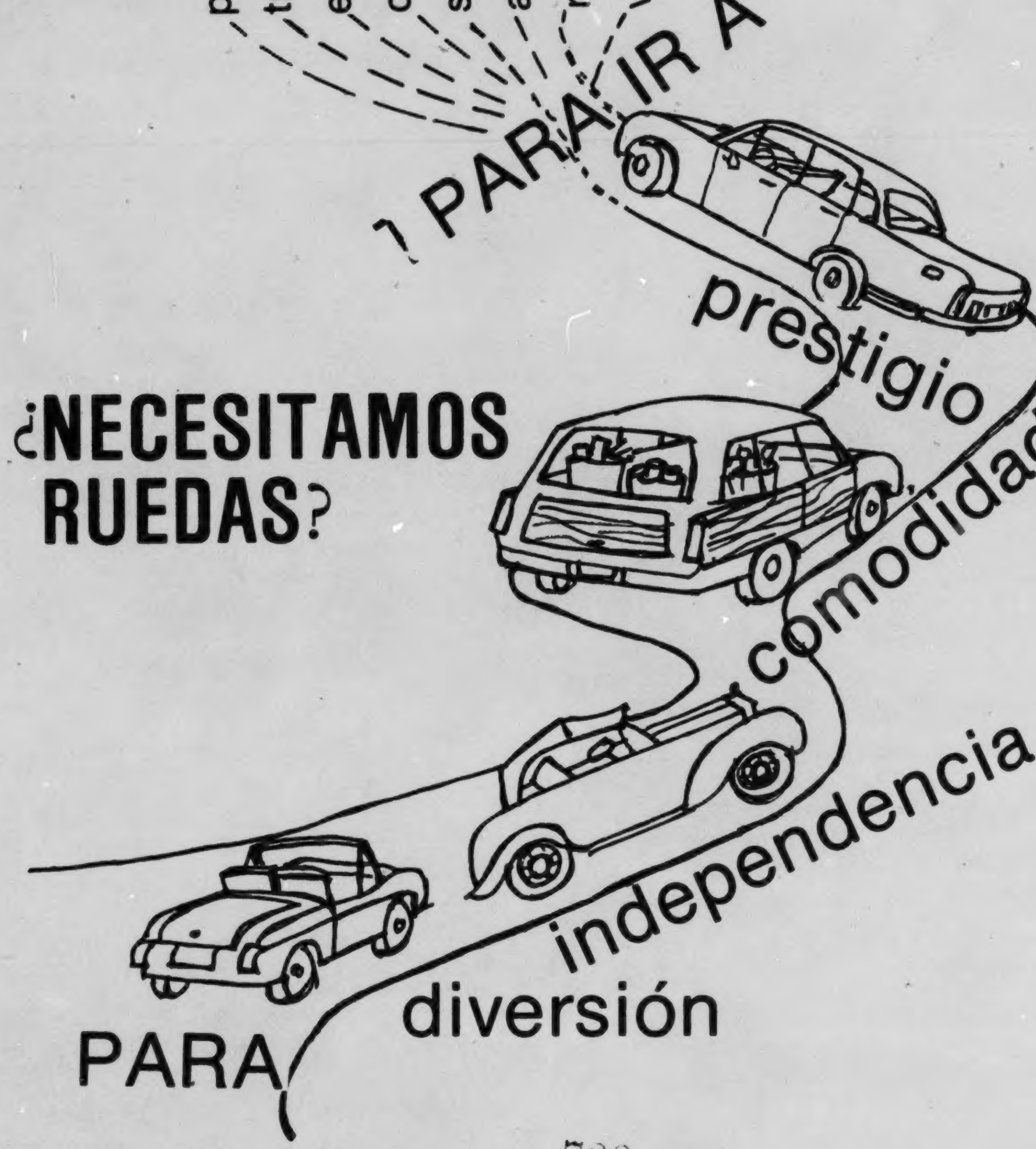
Esenciales		Más Cómodo	
RECAMARA (Contd.)			
Radio despertador	37.97		
Tocador (5 cajones)	89.95		
Espejo (sin marco) 24"x36"	10.99		
Cortinas 48"x84"	8.96		
Alfombras chicas 2 de 6.49 c/u	12.98		
BAÑO	$40.79	BAÑO	$25.91
Toallas y paños 12 piezas	14.88	Tapete de nilón 24"x36"	36.95
Cortina de ducha	12.95	Tapa para excusado	2.99
Tapete de baño 24"x36"	5.97	Tapa de tanque	5.99
Cesto de mimbre	6.99	Balanza pequeña	10.95
COCINA	$80.18	COCINA	$38.73
Utensilios para cocinar	29.99	"Mixer" eléctrico (de 5 niveles)	14.99
Utensilios para cocinar al horno de aluminio	9.99	Cafetera eléctrica de 10 tazas	14.79
Jícaras (juego de 4)	7.45	Plato de caserola	8.95
Utensilios de cocina 6 piezas	7.98		
Jarras de plástico	8.99		
Tostador (para dos rebanadas)	9.75		
Cafetera	5.99		
OTRO	$109.21		
Escoba eléctrica	64.95		
Plancha de vapor	15.78		
Tabla para planchar	13.99		
Tapa para tabla de planchar	2.97		
Escoba, trapeador, otra materia para limpiar	11.52		
Total antes de los impuestos de venta y cargos de entrega	$1,556.90	Total antes de los impuestos de venta y cargos de entrega	$736.37

¿NECESITAMOS RUEDAS?



PARA

diversión

independencia

comodidad

prestigio

¿PARA IR A

parientes

trabajo

escuela

citas

supermercado

actividades

recreo

vacaciones

LISTA PARA COMPARAR PRECIOS[1]

	Coche 1	Coche 2	Coche 3	Coche 4
Precio de catálogo				
OPICIONES				
Motor no estandard				
Transmisión automática				
Manejamiento automático				
Frenos automáticos				
Llantas: "radial"				
grandes				
de nieve				
Aire Acondicionado				
Quitaniebla para la ventana de atrás				
Radio: A.M.				
A.M./F.M.				
Diferencial limitado				
Interior especial				
Exterior-decoración				
Vidrio colorido				
Techo de "vinyl"				
Control de velocidad				
Indicador de combustible				
OTRO:				
Cargos de flete				
Impuestos Provinciales o Federales				
Impuestos de servicio				
Impuesto de venta				
Impuesto de registración y licensia				
OTRO				
Costo total				
Reste el pago inicial				
Total de lo que Ud. paga				

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[1] Reimpreso con permiso de Money Management: Your Automibile Dollar. Chicago, Illinois: Household Finance Corporation, 1975, p. 23.

¿¿¿COMPRAR O NO COMPRAR???

Juanita estaba preparando la cena cuando Manuel regresó de su trabajo lleno de entusiasmo.

"Siéntate, Juanita. ¡Tengo algo magnífico que decirte!"

Poniendo la caserola en el horno para cocer, Juanita se sentó con Manuel en la mesa de la cocina.

"Hay un señor Rick en la tienda que quiere vender su carro. Tiene solamente un año y medio, y cuesta $5,000 nuevo, y quiere vendérmelo por $3,500. Juanita, esta es una ganga—podemos comprar el carro por el cual hemos estado ahorrando dinero. Podemos verlo y manejarlo esta tarde. Rick viene a buscarnos a las 7. ¡Te encantará el carro! Es bastante grande para nosotros, bonito, y en buenas condiciones. Ya lo manejé. Te..."

"¡Espérate, Manuel! No vayas tan recio. Yo creí que íbamos a ahorrar durante un ano o dos para hacer el pago inicial de un carro. Ya sé que es muy incómodo a veces no tener uno, pero no nos ha dificultado demasiado estos seis meses. Estamos cerca de mi trabajo y hay tiendas aquí, y has podido tomar el camión cuando Paul no puede darte un aventón. Estamos muy bien. ¿Por qué cambiar nuestra decisión tan pronto?"

"Ya sé de nuestra decisión, pero la he pensado mucho estos días. Nos faltan muchas cosas porque no tenemos carro. No he podido jugar boliche, por ejemplo. Y sé que hay muchas cosas que tú no haces porque no tienes transportación a la mano."

"Claro que tienes razón, Manuel. Pero *supimos* que estábamos haciendo un sacrificio cuando decidimos gastar un poco más dinero en este apartamento en lugar de comprar un carro después de casarnos. No tenemos mucho dinero ahora, y estamos pagando todavía los plazos del anillo de bodas, de los muebles, de la t. v. y del estéreo. Recuérdate, compramos la t. v. y el estéreo porque pensábamos que nos daría mas placer que gastar $30 al mes para ir al cine, al boliche, o a otros recreos. Y ha estado muy divertido invitar a nuestros amigos a cenar y mirar los deportes o las películas en la t. v."

"Es verdad, yo sé. Pero, piensa, Juanita. hemos vivido muy bien con nuestro dinero. Ademas, hemos podido ahorrar $40 al mes para el pago inicial del carro. Y siempre nos quedan algunos dólares. Ahora, Rick dice que podemos financiar el carro sin dificultad. No sé exactamente cuanto costará, pero él y yo hemos calculado que podríamos pagar $450 como pago inicial, y después pagaríamos $90 al mes. Esto es exactamente lo que estamos ahorrando ahora. Entonces, ¡tenemos los pagos hechos ya!"

¿Y qué pasó con nuestra idea de aumentar nuestros ahorros?

"Pagaremos nuestros anillos en tres meses. Eso nos dará $30 al mes que podremos ahorrar. Podemos esperar tres meses sin sacrificar nuestros ahorros. Ademas, uno de nosotros va a tener un ascenso pronto, y así no tendremos ningún problema con nuestro dinero."

"Pues, Manuel—yo no sé. Parece posible, pero sería un poco difícil al principio. Y con el pago inicial, tendremos sólo $100 en el banco. Me asusta." (403)

"No te preocupes. Lo arreglaremos. Es decir, cuando veas el carro vas a ver que es una ganga que no podemos perder. Juanita, ¡es un carro magnífico! Por lo menos, vamos a verlo después de la cena, y tú verás como maneja. Estarás tan feliz como yo."

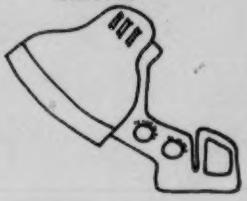
"Pues, de acuerdo. Ya entiendo tu emoción. Si es tan importante para ti, miraremos el carro. Pero, Manuel, prométeme una cosa—que no darás a Rick nuestra decisión mientras que estamos allí. No quiero comprar con demasiada prisa, y quiero hablar contigo otra vez esta noche después de regresar. Espero que no olvidemos nada."

"De acuerdo, te lo prometo, Juanita. Hablaremos después de que tú veas el carro, y daré nuestra decisión a Rick mañana."

TIPOS DE SERVICIOS QUE CONSUMIDORES USAN
(Visual)

Servicios Personales

1. tintoreros
2. salones de belleza



Servicios de Gobierno

1. Medicaid (ayuda médica)
2. estampillas de comida
3. servicios municipales y de correo
4. educación

U.S. POSTAGE
15¢

Servicios Profesionales

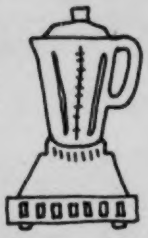
1. médicos
2. dentistas
3. abogados
4. contadores

Servicios Domésticos

1. cuido de jardín
2. limpieza de casa o cuido de enfermera
3. cuido de niños

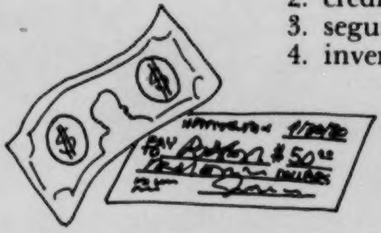
Servicios de Reparaciones

1. aparatos
2. equipaje
3. carros
4. televisores
5. tocadiscos



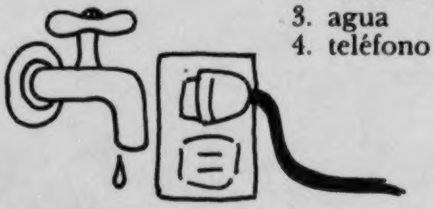
Servicios Financieros

1. de banco
2. crédito
3. seguro
4. inversiones

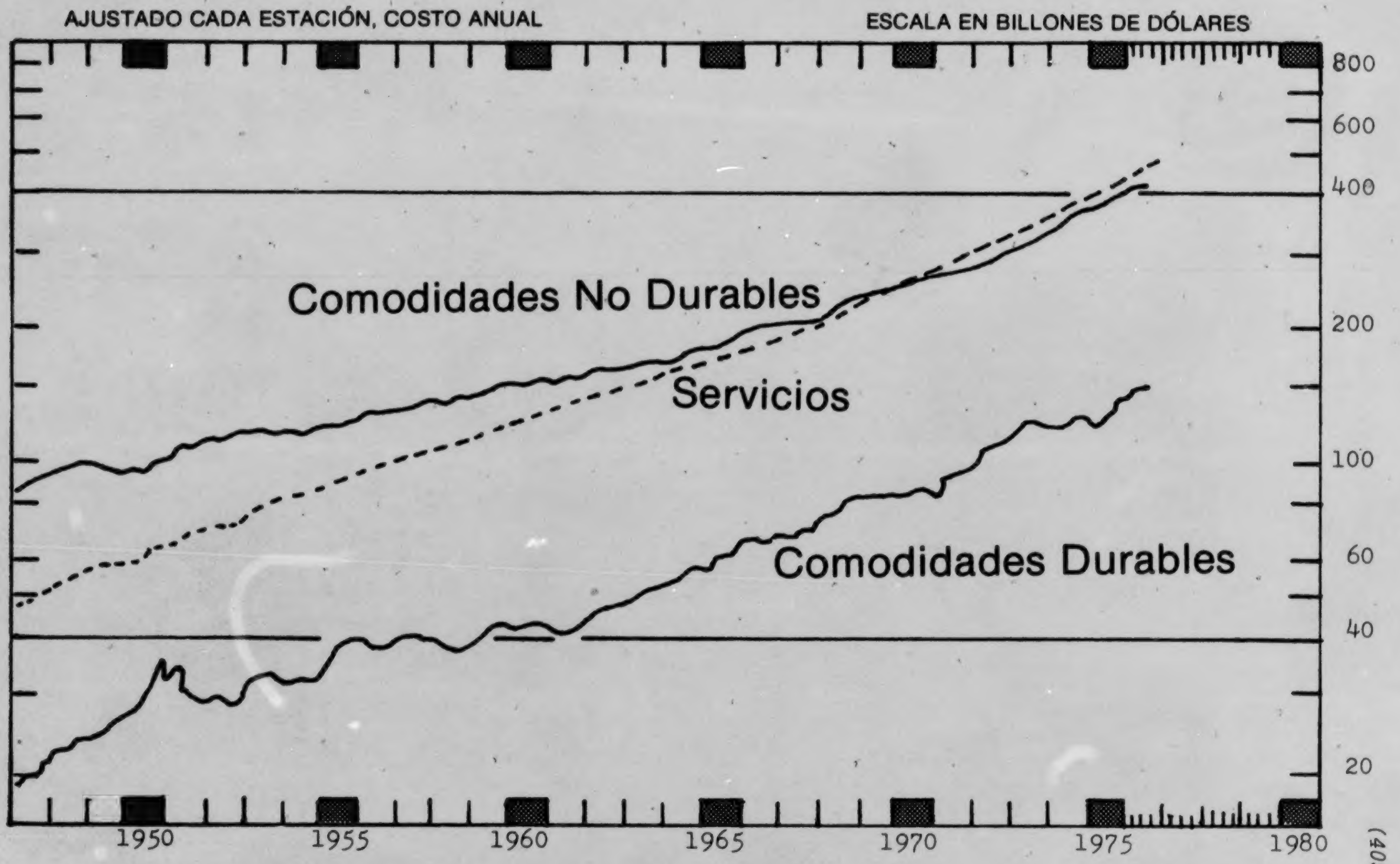


Utilidades Públicas

1. gas
2. electricidad
3. agua
4. teléfono



COSTOS DE CONSUMCIÓN PERSONAL



COMO CONSERVAR UTILIDADES[2]

(hoja para repartir)

Calefacción

1. Vea la condición de la insulación presente en paredes y techo.
2. Tape las aperturas en ventanas y puertas.
3. Ponga ventanas contra tempestades o vidrio de insulación.
4. Use cortinillas y cortinas para conservar calor.
5. No caliente cuartos no ocupados.
6. Cierre la apertura en la chimenea cuando no se usa.
7. Seleccione una temperatura cómoda y no alze la temperatura.
8. Baje la temperatura de noche.
9. Use un humectador para controlar la humedad.
10. Limpie los filtros del horno (si necesario), las bombas de calefacción y el aire acondicionado una vez al mes.
11. Limpie y arregle el sistema de calefacción de gas por lo menos cada tres años, y un sistema de petróleo una vez al año.
12. Limpie y arregle todas las partes que se mueven como bombas de agua.

Aire Acondicionado

1. Cierre cuando no en uso.
2. Use cortinillas y cortinas contra el sol, use insulación.
3. Compre un sistema de aire acondicionado del tamaño correcto para su vivienda.
4. No guarde la casa demasiado fría, use 75 grados o más.
5. Cierre todas las puertas y ventanas.
6. No permita mucha humedad en la casa.
7. Limpie los filtros.

Utensilios

1. Para utensilios que usan mucha energía, como calentadores de agua, secadoras, compre un modelo de gas si no vive en una localidad con electricidad barata.
2. No use el calentador con agua demasiado caliente.
3. Use el lavaplatos, la máquina de lavar y la secadora sólo cuando tenga bastante trabajo para llenar la máquina.
4. Limpie la secadora con regularidad.
5. Cocine con utensilios que caben en la estufa.
6. Caliente la máquina sólo cuando sea necesario.
7. No abra el horno cuando está cociendo.
8. Cuando prepara la comida, trate de usar sólo una parte del horno. No hay que calentar todo.
9. Use utensilios pequeños—tostador cuando prepara una comida para una persona.
10. Decongele el congelador con regularidad.
11. Trate de usar el menos poder posible en el refrigerador.
12. Compre utensilios que consumen el menos poder posible.

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Luces

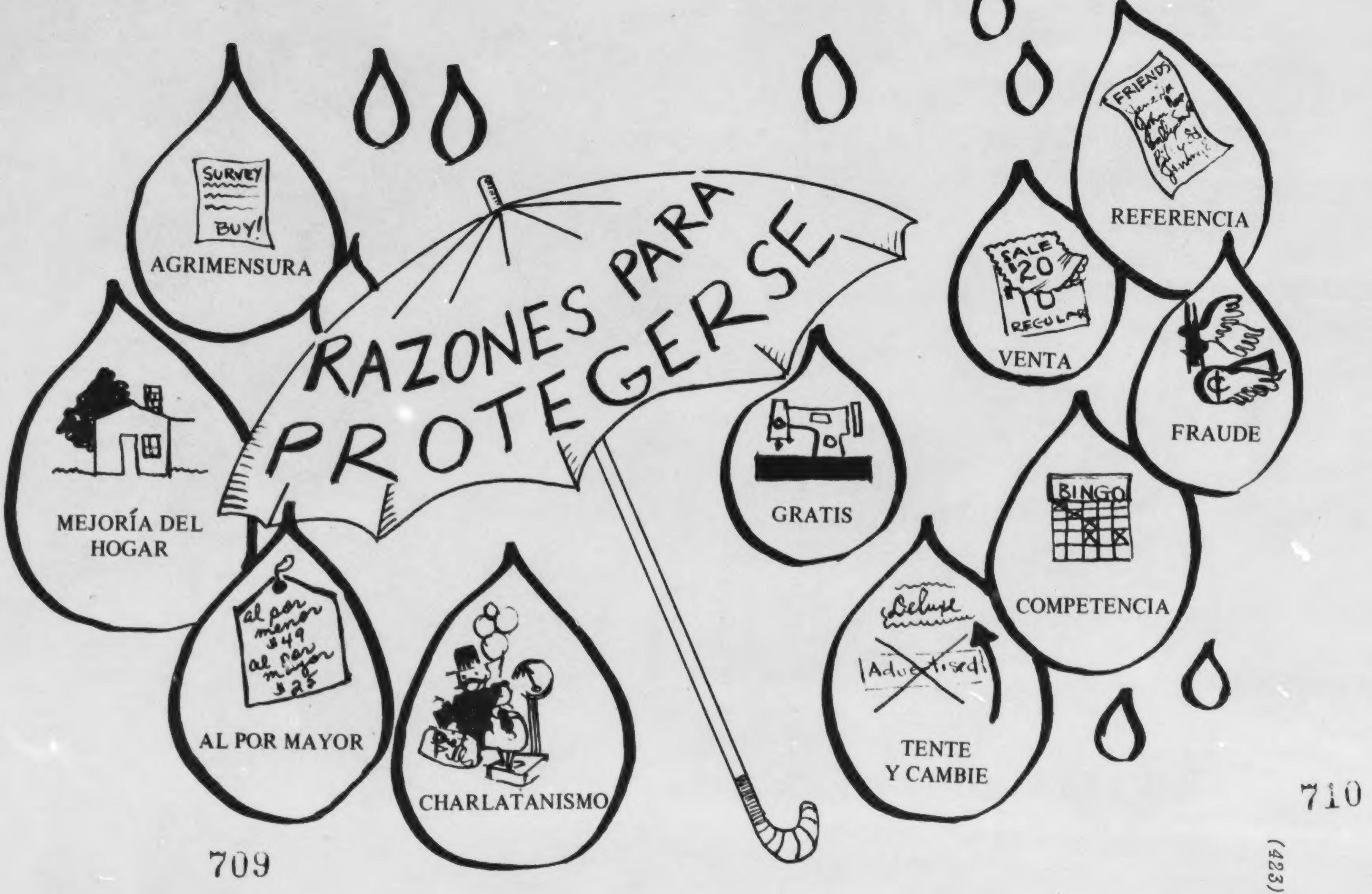
1. No use demasiadas luces.
2. Use focos de buena calidad.
3. Cuando posible use luces "flourescentes."

Recreo

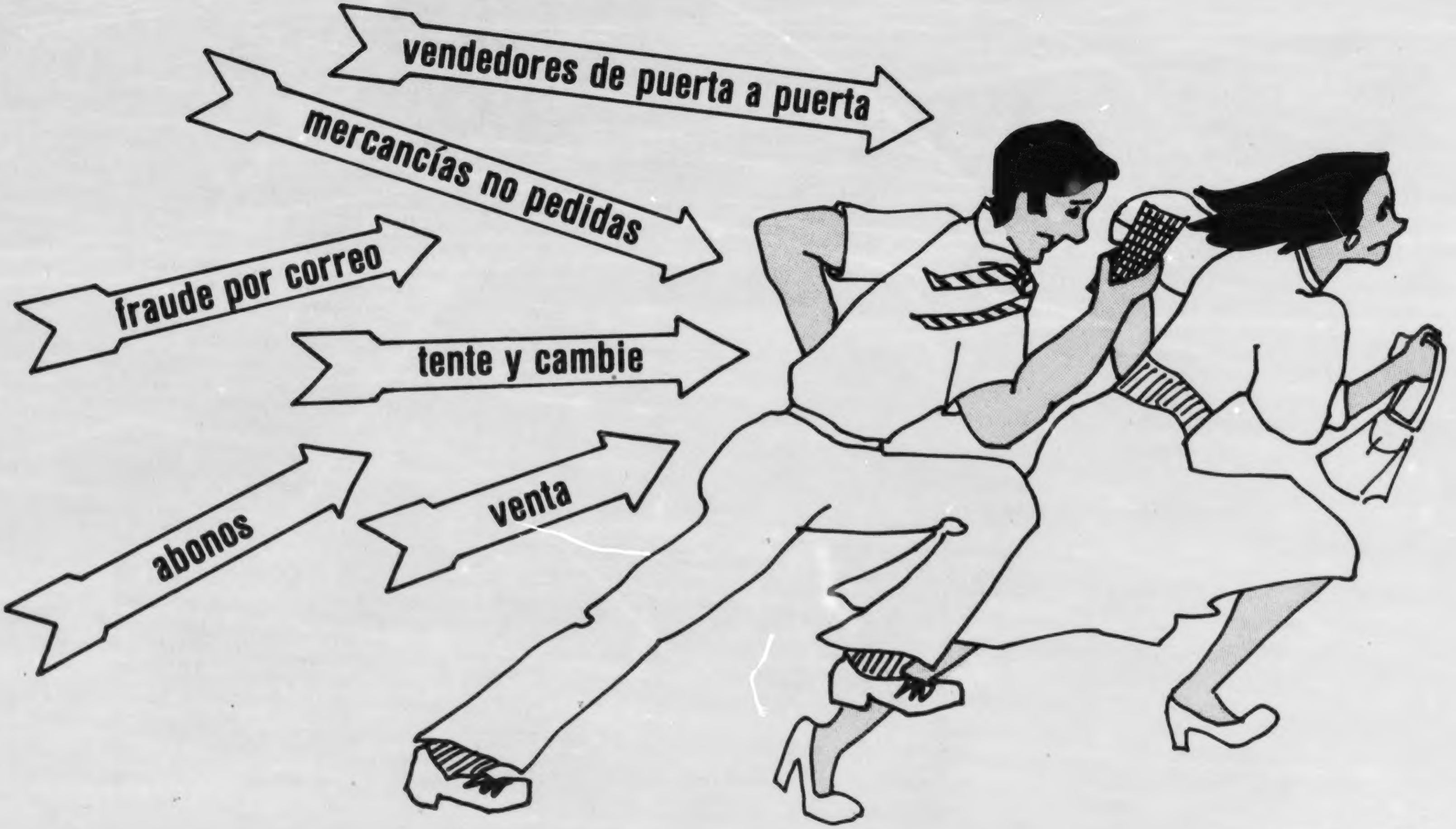
1. No use más de un tipo de equipo de recreo a la vez.
2. Cierre el radio, la t.v. o el estereo cuando nadie escucha.

Teléfeno

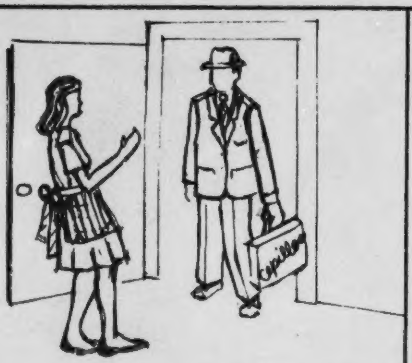
1. Marque sus números. Con la ayuda de la operadora cuesta más.
2. Llame la "estación" no la persona.
3. Llame a las horas cuando cuesta más barato.
4. Use el precio especial después de las once para hacer las llamadas de "llegué bien."
5. Sepa las horas más baratas en su estado.
6. Si le conviene, use planes especiales que la compañía de teléfonos tiene—Por ejemplo, por un precio especial puede llamar cualquier número dentro de 20 millas.
7. No pida demasiadas extensiones telefónicas.
8. Llame a la operadora para recibir crédito para números equivocados o no terminados.
9. Compare sus notaciones con la factura mensual de la compañía de teléfonos.
10. Informe la compañía de teléfonos de cargos incorrectos.
11. Mire el reloj si tiene la tendencia de hablar demasiado por teléfono.


RAZONES PARA PROTEGERSE
SURVEY
BUY!
AGRIMENSURA
MEJORÍA DEL HOGAR
al por menor $49 al por mayor $25
AL POR MAYOR
CHARLATANISMO
GRATIS
Deluxe
Advertised
TENTE Y CAMBIE
COMPETENCIA
BINGO
SALE 20 10 REGULAR
VENTA
FRIENDS
REFERENCIA
FRAUDE

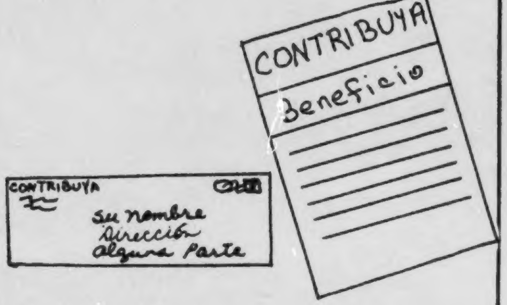
AGARRE SU BOLSILLO


vendedores de puerta a puerta
mercancías no pedidas
fraude por correo
tente y cambie
abonos
venta

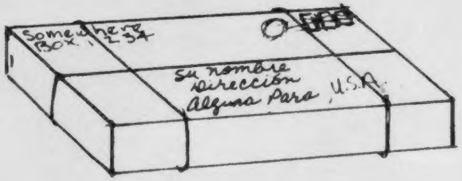
DESCUBRIENDO FRAUDE



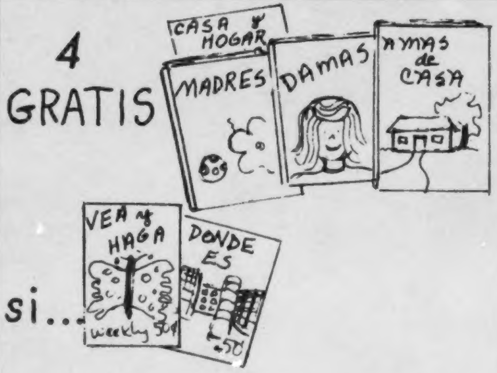
Vendedores de Puerta a Puerta
¿Cómo habla? ¿Qué promesas hace? ¿Qué es el precio? ¿Cómo es la calidad? Coteje su dirección. ¡LEA ANTES DE FIRMAR!


CONTRIBUYA
su nombre
Dirección
Alguna Parte
CONTRIBUYA
Beneficio

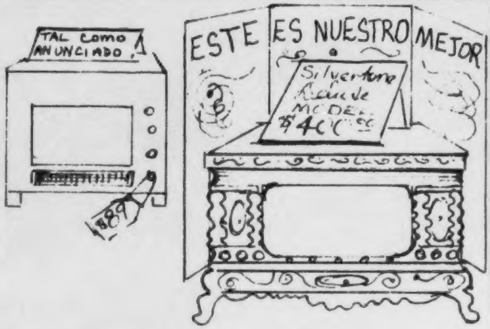
Fraude por Correo
¿De quién viene? ¿Qué tengo que hacer? ¿Cuánto costará? ¿Es bueno o no?


Somewhere
BOX 1234
su nombre
dirección
Alguna Para
U.S.A.

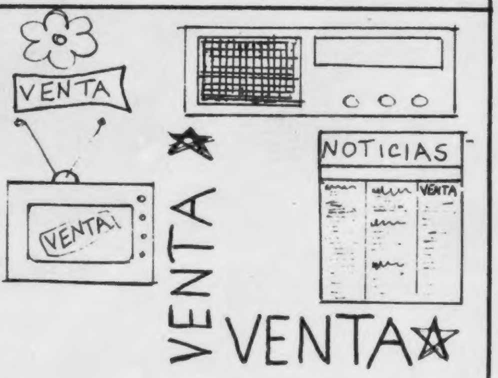
Mercanća No Pedida
¿Pidió alguien en su familia la mercancía? No tiene que pagarla ni devolverla si no la usa.


4
GRATIS
si...
CASA y HOGAR
MADRES
DAMAS
AMAS de CASA
VEA y HAGA
weekly 50¢
DONDE ES

Abonos
¿Es verdaderamente una ganga? ¿Cuánto costará? RECUERDE— ¡NO HAY NADA GRATIS!


TAL como ANUNCIADO
$89
ESTE
ES NUESTRO
MEJOR
Silvertone
MODEL
$400

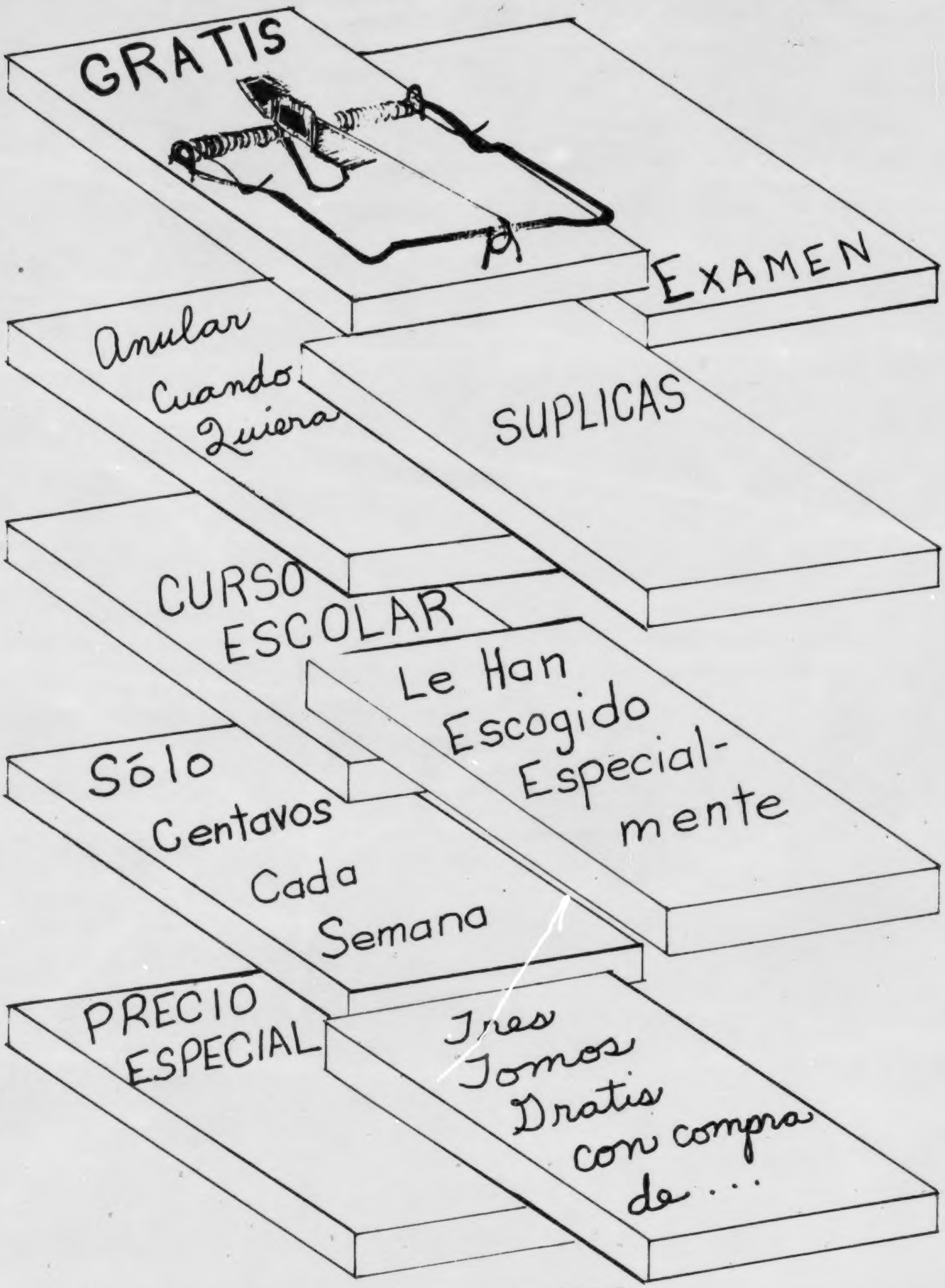
Tente y Cambie
¿Es la mercancía verdaderamente de venta? ¿Quiere el vendedor mostrarle un artículo más caro? ¿Critica el artículo de venta?


VENTA
VENTA
NOTICIAS
VENTA
VENTA
VENTA

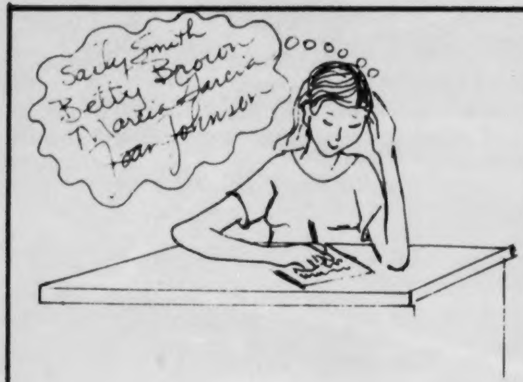
Venta
¿Es una verdadera venta?
¿Cómo comparan estos precios con los de otras tiendas?
¿Cómo es la calidad?

Cuidado Con Estas Trampas

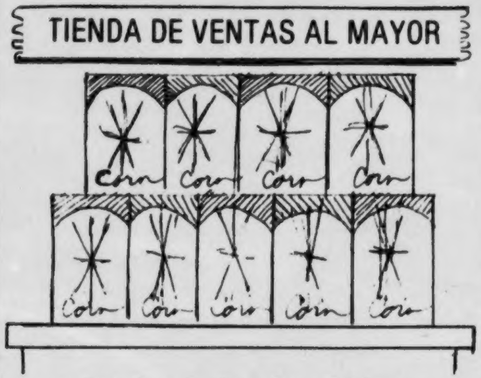
(426)


GRATIS
EXAMEN
Anular Cuando Quiera
SUPLICAS
CURSO ESCOLAR
Le Han Escogido Especialmente
Sōlo Centavos Cada Semana
PRECIO ESPECIAL
Tres Tomos Gratis con compra de ...

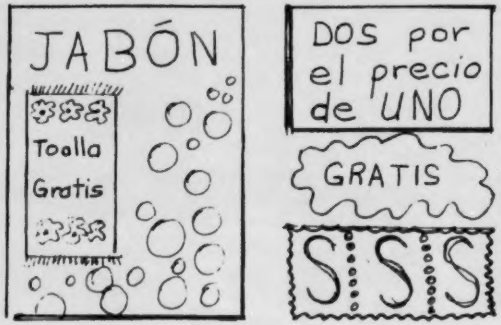
DESTINADOS AL ENGAÑO


Sally Smith
Betty Brown
T. Martin Garcia
Joan Johnson

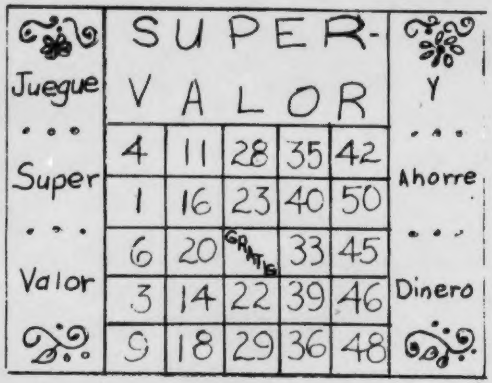
Planes de Referencia
¿Le prometen un descuento si da nombres de amigos que compran?


TIENDA DE VENTAS AL MAYOR

Precios de Vender al Mayor
Si el vendedor vende al menor, no puede vender al mayor.


JABÓN
Toalla
Gratis
DOS por el precio de UNO
GRATIS
S S S

Gratis
Recuerde que hay pocas cosas que sean realmente gratis.

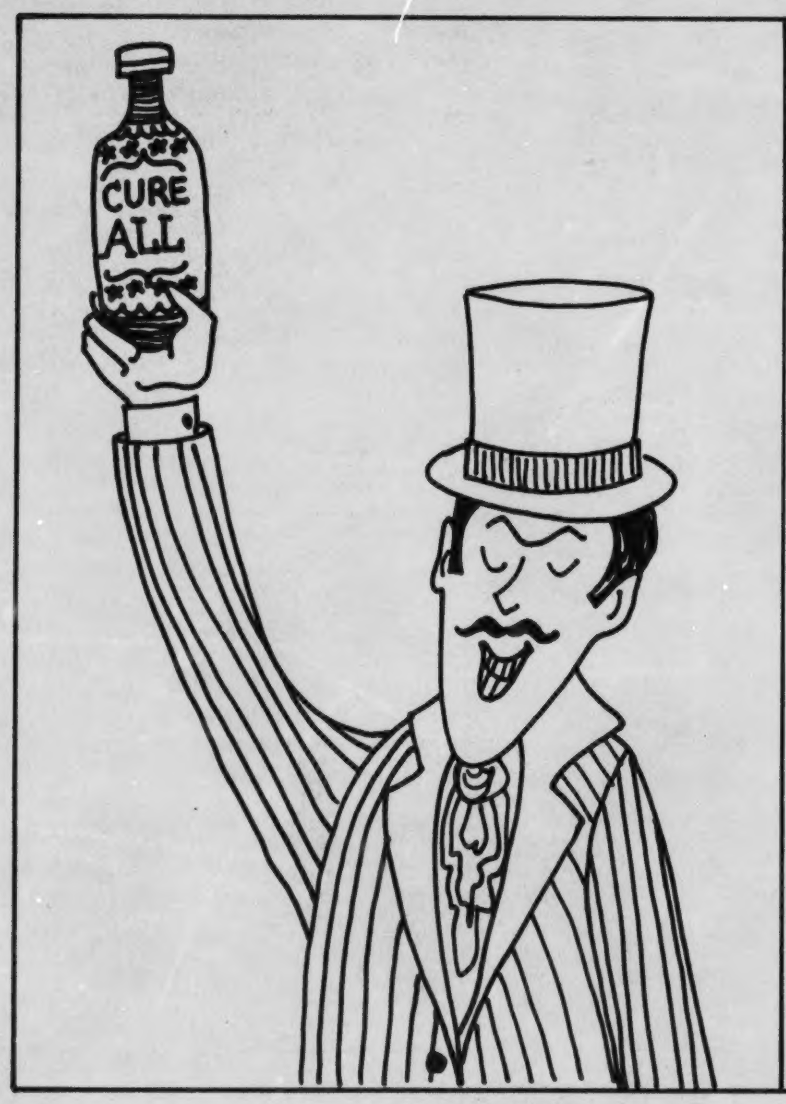

SUPER-VALOR
Juegue
Super
Valor
Y
Ahorre
Dinero
4 11 28 35 42
1 16 23 40 50
6 20 GRATIS 33 45
3 14 22 39 46
9 18 29 36 48

Concurso
¿Quiénes tienen oportun idad de ganar?

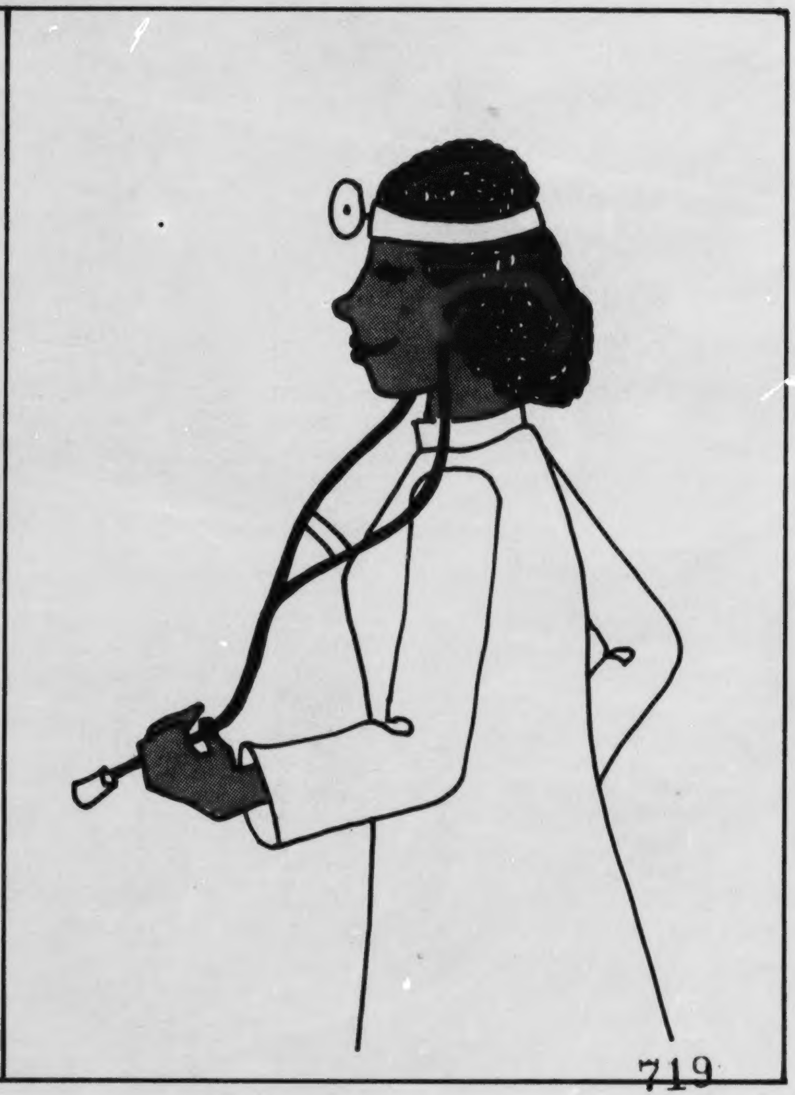
MEJORAMIENTO DE CASA NA IONAL
LOT

Chicanería en el Mejoramiento de Viviendas
¿Le prometen estampillas gratis para el uso de su casa en propaganda? ¿Usa el mecánico táctica de amenaza? ¡LES ANTES DE FIRMAR!

CUIDADO CON ESTOS

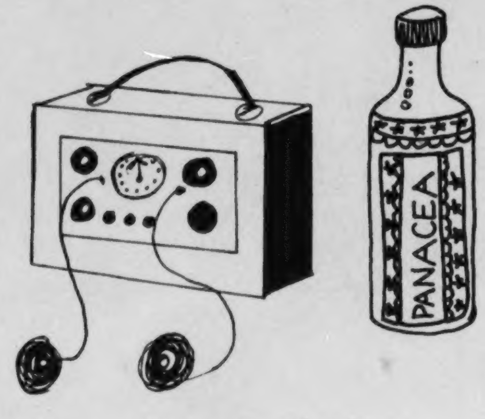


718

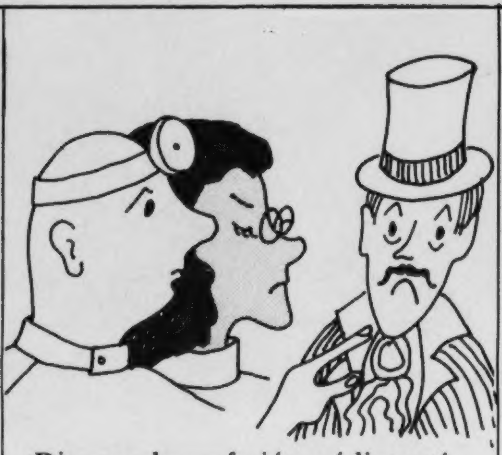


719

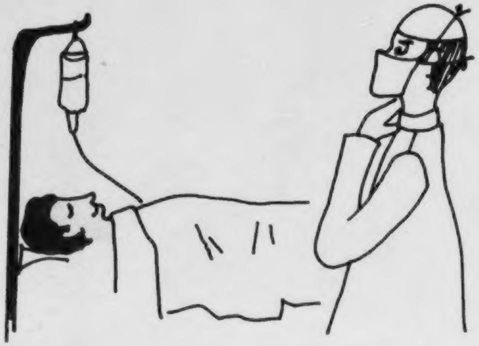
COMO RECONOCER A LOS CHARLATANES



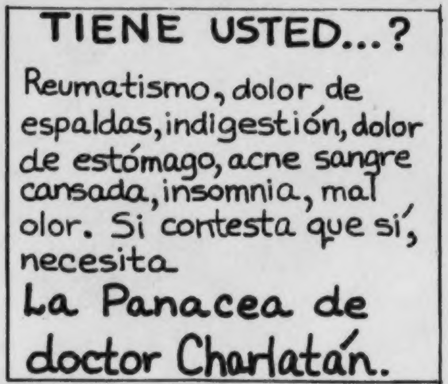
¿Usa el médico una máquina especial o un "remedio secreto"?



¿Dice que la profesión médica está en contra de él?



¿Dice el médico que la cirugía o los rayos X son malos?

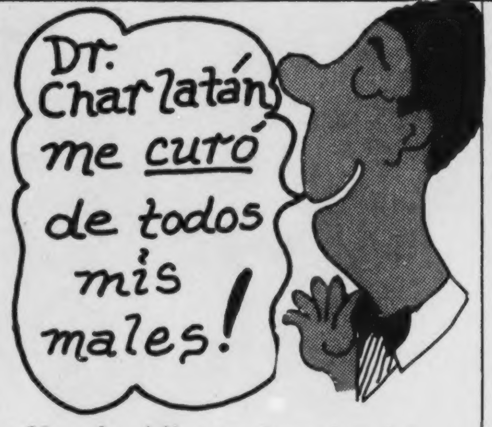


TIENE USTED...?

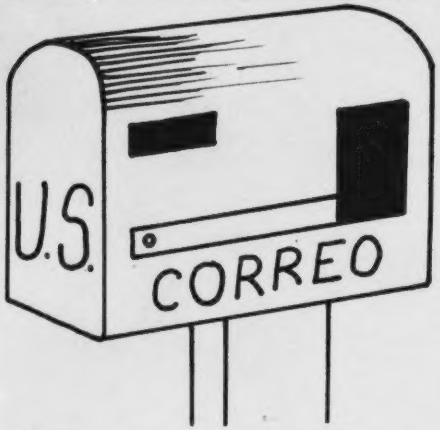
Reumatismo, dolor de espaldas, indigestión, dolor de estómago, acne sangre cansada, insomnia, mal olor. Si contesta que sí, necesita

La Panacea de doctor Charlatán.

¿Cómo aprendió (supo) del remedio o del médico? Los verdaderos médicos no hacen propaganda.

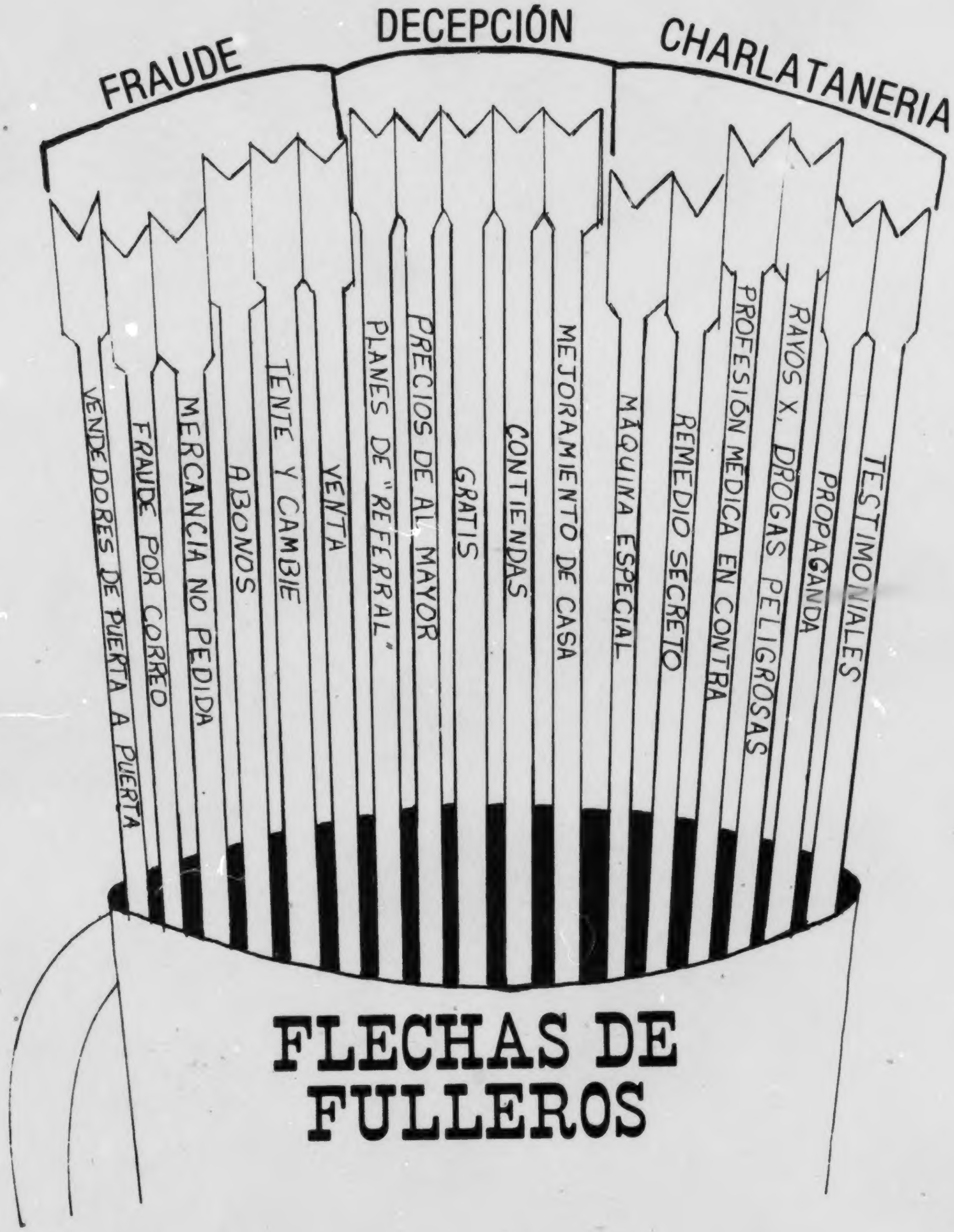

Dr. Charlatán me curó de todos mis males!

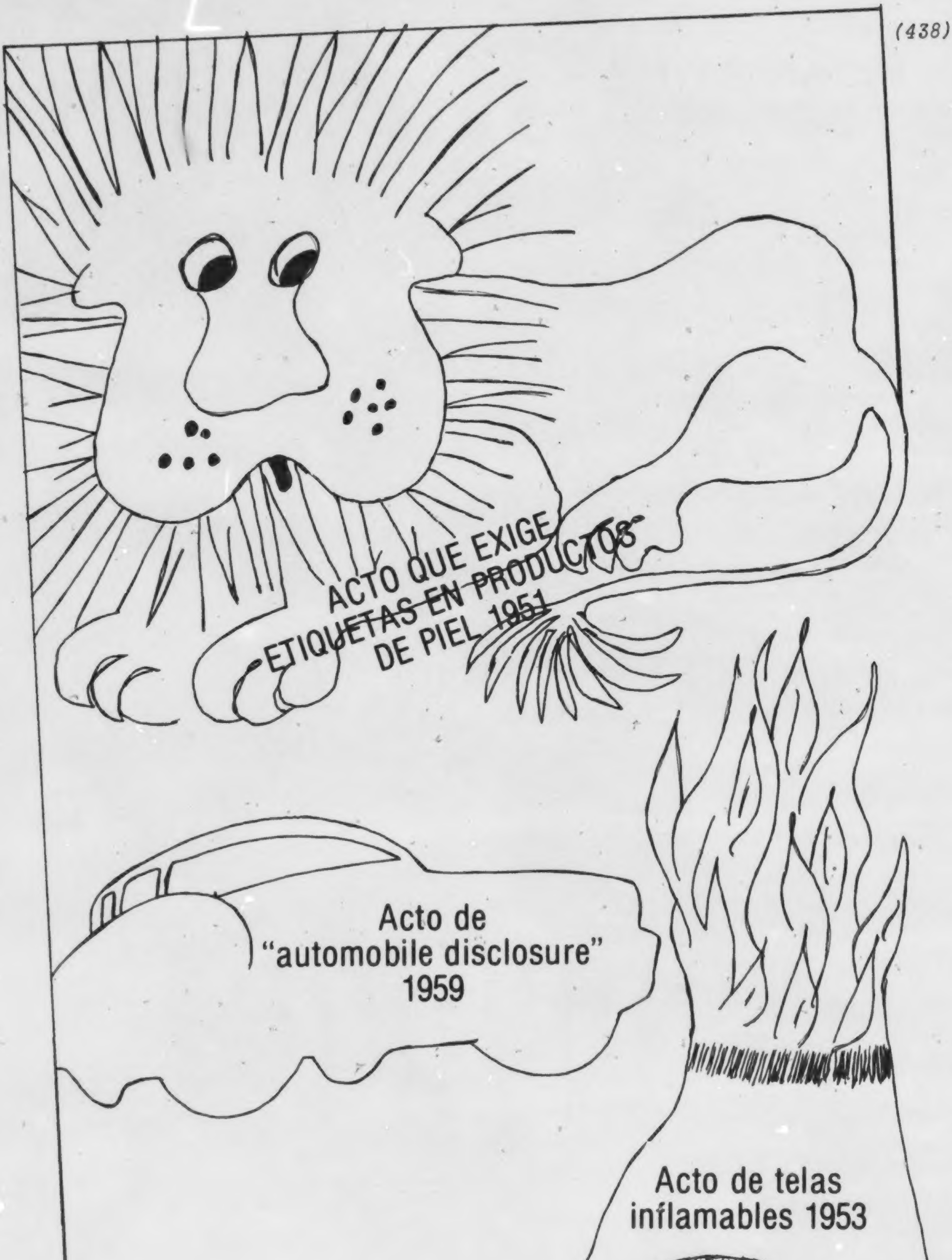
¿Usa el médico testimonios de pacientes "curados"?

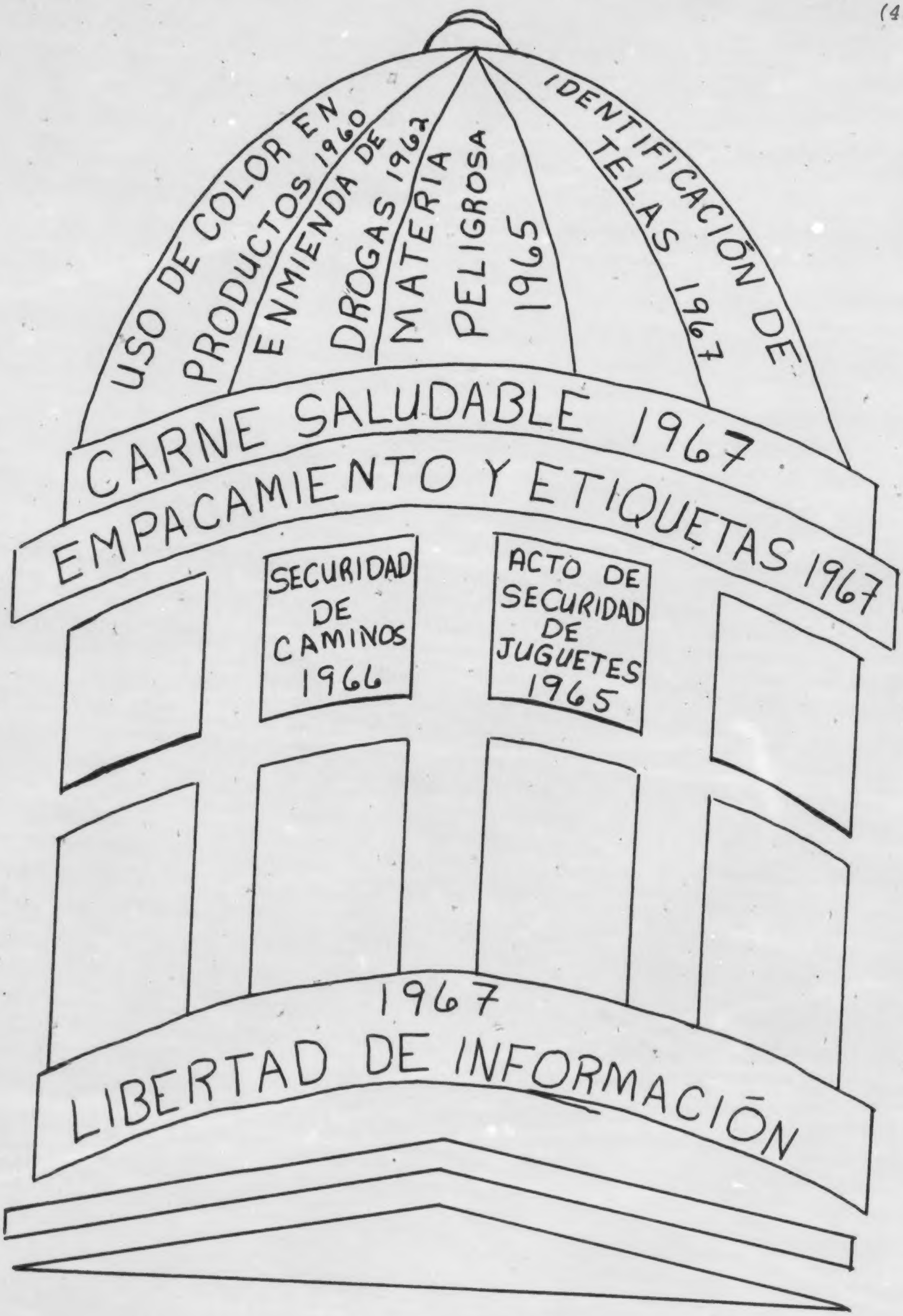


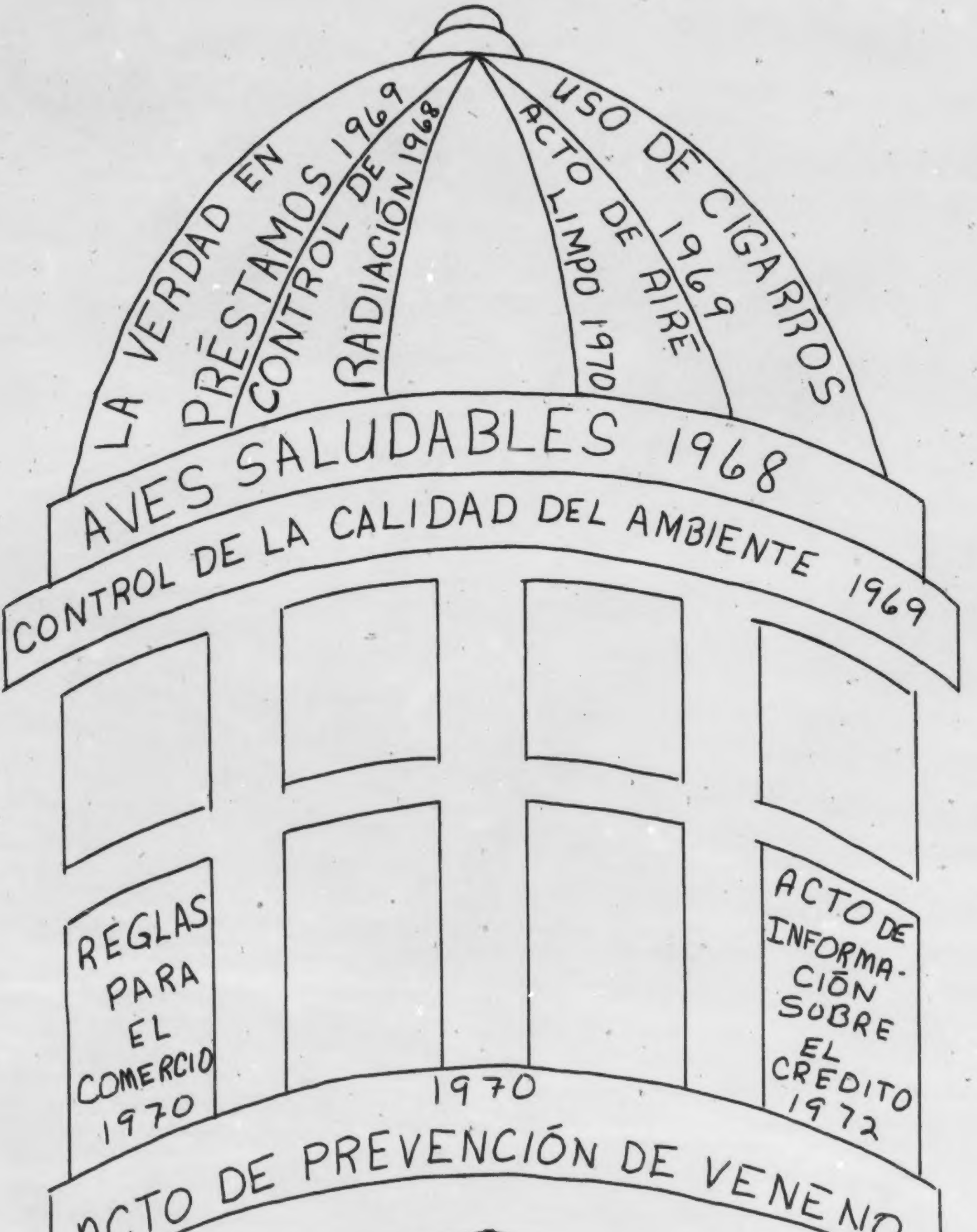
¿Puede comprar el remedio por correo?

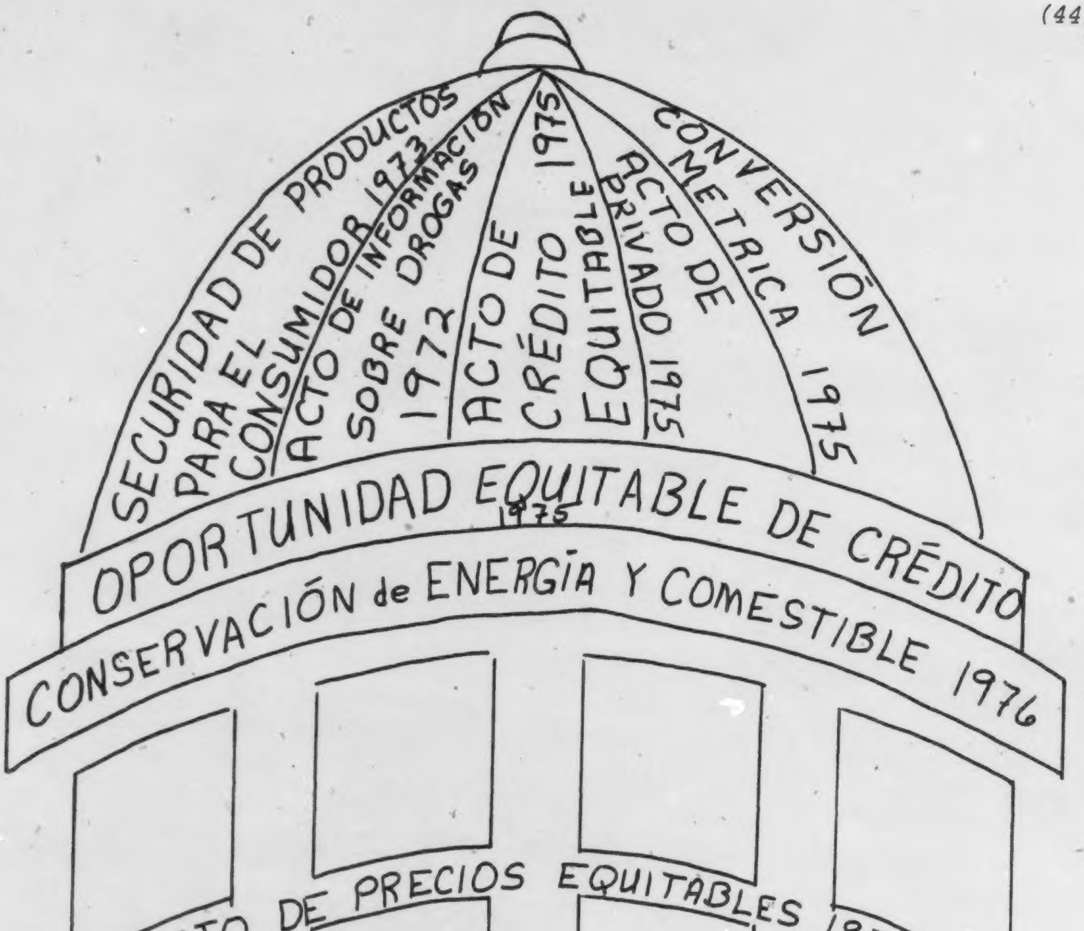
¡Qué No Le Maten Estas Flechas!


FRAUDE
DECEPCIÓN
CHARLATANERIA
VENDEDORES DE PUERTA A PUERTA
FRAUDE POR CORREO
MERCANCIA NO PEDIDA
ABONOS
TENTE Y CAMBIE
VENTA
PLANES DE "REFERRAL"
PRECIOS DE AL MAYOR
GRATIS
CONTIENDAS
MEJORAMIENTO DE CASA
MÁQUINA ESPECIAL
REMEDIO SECRETO
PROFESIÓN MEDICA EN CONTRA
RAYOS X, DROGAS PELIGROSAS
PROPAGANDA
TESTIMONIALES
FLECHAS DE FULLEROS


ACTO QUE EXIGE
ETIQUETAS EN PRODUCTOS
DE PIEL 1951
Acto de
"automobile disclosure"
1959
Acto de telas
inflamables 1953


USO DE COLOR EN PRODUCTOS 1960
ENMIENDA DE DROGAS 1962
MATERIA PELIGROSA 1965
IDENTIFICACIÓN DE TELAS 1967
CARNE SALUDABLE 1967
EMPACAMIENTO Y ETIQUETAS 1967
SECURIDAD DE CAMINOS 1966
ACTO DE SECURIDAD DE JUGUETES 1965
1967
LIBERTAD DE INFORMACIÓN


LA VERDAD EN PRÉSTAMOS 1969
CONTROL DE RADIACIÓN 1968
ACTO LIMPO 1970
ACTO DE AIRE 1969
USO DE CIGARROS
AVES SALUDABLES 1968
CONTROL DE LA CALIDAD DEL AMBIENTE 1969
REGLAS PARA EL COMERCIO 1970
ACTO DE INFORMACIÓN SOBRE EL CREDITO 1972
1970
ACTO DE PREVENCIÓN DE VENENO


SECURIDAD DE PRODUCTOS PARA EL CONSUMIDOR 1973
ACTO DE INFORMACIÓN SOBRE DROGAS 1972
ACTO DE CRÉDITO EQUITABLE 1975
ACTO DE PRIVADO 1975
CONVERSIÓN METRICA 1975
OPORTUNIDAD EQUITABLE DE CRÉDITO 1975
CONSERVACIÓN de ENERGÍA Y COMESTIBLE 1976
ACTO DE PRECIOS EQUITABLES 1976
ACTO DE GARANTÍAS MAGNUSON-MOSS 1976

ETIQUETAS PARA PROTEGER AL CONSUMIDOR

CUIDADO

No para uso personal. No debe tocar la piel o los ojos. Si toca los ojos o la piel, lávese con agua por 15 minutos. Llame al médico. Si usado internamente, tome leche o pan empapado en leche seguido por aceite para cocer. Llame al médico.

GUARDE FUERA DEL ALCANCE DE NIÑOS

AVISO: Guarde esta y toda medicina fuera del alcance de niños. En caso de accidente, llame al médico inmediatamente.

AVISO: Guarde esta y toda medicina fuera del alcance de niños.

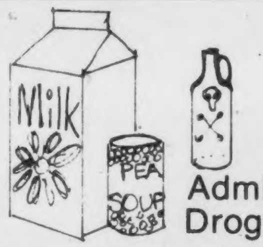
AVISO: El Cirujano General ha determinado que el uso de cigarros es peligroso a su salud.

CUIDADO: Un dolor de garganta severo o persistente acompañado por una fiebre, náusea, dolor de cabeza y vómito puede ser peligroso. Llame al médico si el dolor de garganta dura más de 3 días. No dé a niños menos de 6 años de edad si no recetado por un médico.

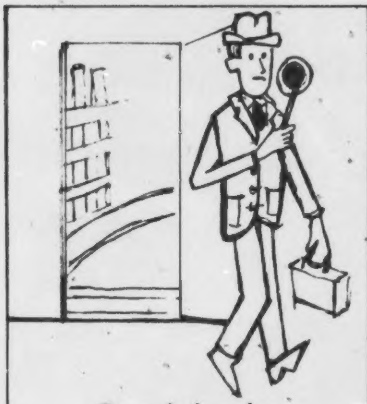
AVISO: Para uso externo solamente. Si tomado internamente, gastritis resultará. AVISO: Guarde fuera del alcance de niños.

Etiquetas como éstas nos avisan contra los peligros posibles de un producto.

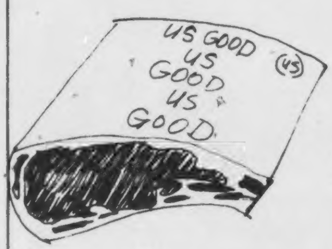
Protección Gubernativa del Consumidor


Milk
PEA
SOUP

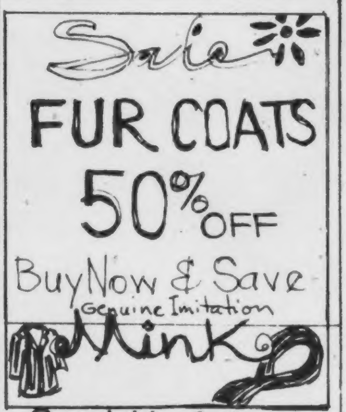
Administración de Drogas y Comidas



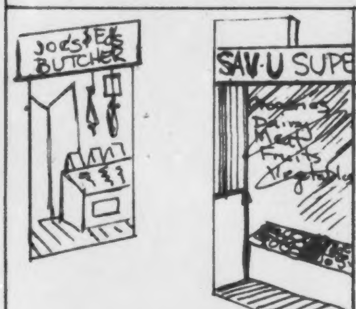
Servicio de Salud Pública


US GOOD
US
GOOD
US
GOOD
US

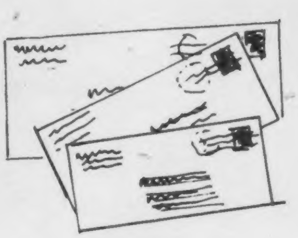
Departamento de Agricultura


Sale
FUR COATS
50% OFF
Buy Now & Save
Genuine Imitation
Mink

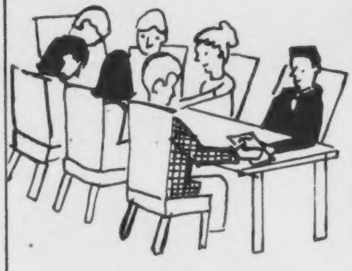
Comisión federal de comercio


Joe's BUTCHER
SAV-U SUPE

División contra monópolios del Departamento de Justicia



Departamento de Correos



Comisión del presidente sobre intereses del consumidor

AGENCIAS DEL GOBIERNO

Junta de aeronáutica civil (CAB)

Comisión de seguridad para el consumidor

Departamento de agricultura (USDA) (Servicio de comercio de agricultura, servicio de investigación de agricultura, servicio de selvas).

Departamento de comercio (Oficina nacional de estandards, oficina de censo, oficina de marcas registradas, oficina de economía de negocios, oficina meteorológica, oficina de caminos públicos).

Departamento de salud, educación y bienestar (HEW) (Servicios de salud pública, administración de seguridad social, oficina de educación, administración de comida y drogas)

Departamento de justicia

Departamento de labor (oficina de estadísticas sobre el trabajo)

Departamento de transportación (Administración federal de aviación, oficina nacional de seguridad en el camino)

Comisión federal de comunicaciones (FCC)

Corporación federal de seguros depositados (FDIC)

Oficina de reservas federales (FRB)

Comisión federal de poder (FPC)

Comisión federal de comercio (FTC)

Comisión de comercio entre estados (ICC)

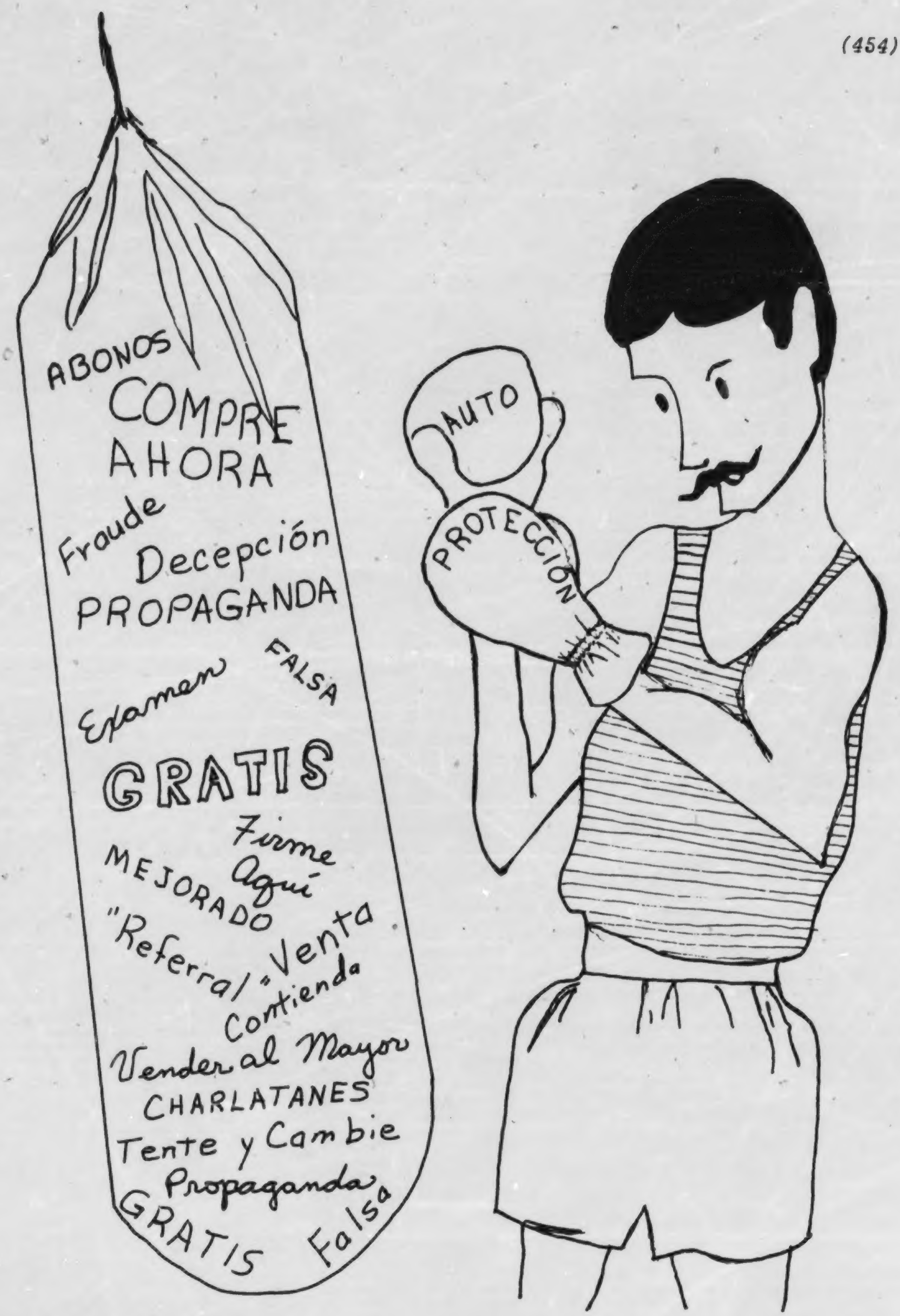
Oficina de asuntos del consumidor (OCA)

Departamento de hacienda (Contador de dinero, guarda costas)

Servicio de correos U.S.

ESQUEMA SUMARIO: PROTECCIÓN DEL GOBIERNO PARA EL CONSUMIDOR

AGENCIA	COMO AYUDA	LOCALIDAD (DIRECCIÓN)
Junta de Aeronáutica Civil (CAB)		
Comisión de seguridad de productos para el consumidor		
Departamento de agricultura		
Departamento de comercio		
Departamento de salud, educación y bienestar (HEW)		
Departamento del interior		
Departamento de justicia		
Departamento de labor		
Departamento de transportación		
Comisión federal de comunicaciones (FCC)		
Corporación federal de seguros depositados (FDIC)		
Junta de reservas federales (FRB)		
Comisión federal de poder (FPC)		
Comisión federal de comercio (FTC)		
Comisión de comercio entre estados (ICC)		
Oficina de asuntos del consumidor (OCA)		
Departamento de hacienda		
Servicio de correos U.S.		


ABONOS
COMPRE
AHORA
Fraude
Decepción
PROPAGANDA
Examen
FALSA
GRATIS
Firme
Aquí
MEJORADO
"Referral" Venta
Contienda
Vender al Mayor
CHARLATANES
Tente y Cambie
Propaganda
GRATIS
Falsa
AUTO
PROTECCIÓN

¿ESTOY YO ENTRE LAS MANOS DE "BIG BUSINESS?"[1]

DIRECCIONES: ¿Está Ud. sin recursos contra los esfuerzos de los negocios grandes que quieren que Ud. compre? ¿Puede Ud. controlar lo que se vende y como se vende? Vea lo que Ud. sabe de los derechos de consumidores y sus responsabilidades. Decida si las frases siguientes son verdaderas o falsas. Ponga un círculo en la "V" si la frase es correcta y en la "F" si Ud. cree que la frase es falsa. Es un ejercicio personal. *NO ES UN EXAMEN.*

V F 1. Es mi responsabilidad recoger toda la información sobre un producto antes de comprar.

V F 2. Una carta escrita al presidente de la compañía tendrá poca influencia en un producto o en la propaganda.

V F 3. Hay muy poco que puedo hacer para ayudar a mis amigos y vecinos hacerse buenos consumidores.

V F 4. Debo usar artículos y servicios según las direcciones.

V F 5. Leyes y agencias públicas y privadas me ayudan a proteger mis derechos como consumidor.

V F 6. Una demanda fuerte es la mejor manera de quejarse contra artículos y servicios.

V F 7. Tengo el derecho de aprovecharme de negocios puesto que ellos se aprovechan de mí.

V F 8. Si compro de un negociante bien establecido, es más probable que tendré satisfacción.

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[1] Reimpreso con permiso de *Illinois Teacher of Home Economics.* Urbana, Illinois: Division of Home Economics, University of Illinois, Vol. XVII, No. 5, May/June, 1974, pp. 269-270.

DERECHOS BASICOS DEL CONSUMIDOR

El derecho de información

El derecho de seguridad

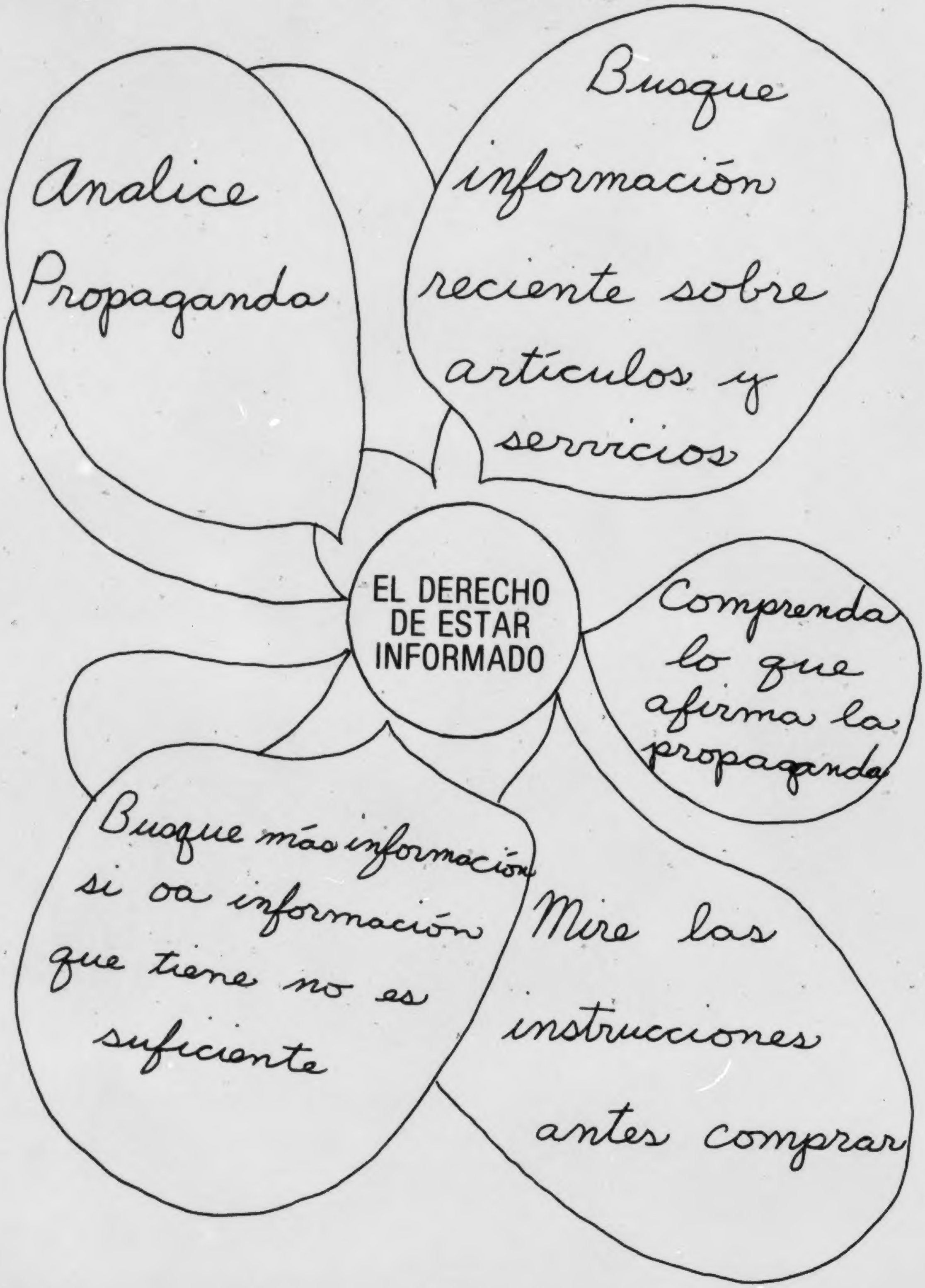
El derecho de escoger

El derecho de estar escuchado

El derecho de ir a las cortes

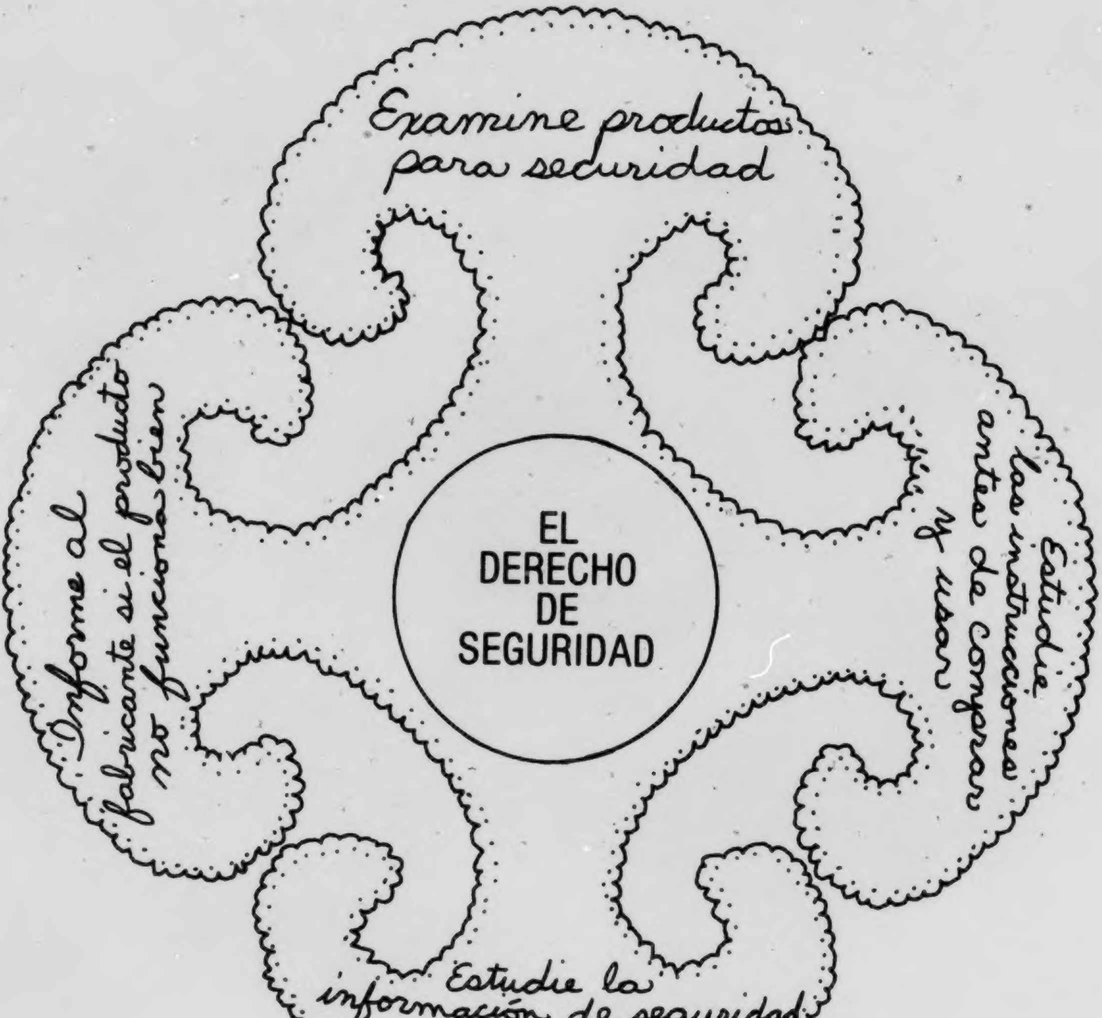
ESTAR INFORMADO

(457)


EL DERECHO DE ESTAR INFORMADO
Analice Propaganda
Busque información reciente sobre artículos y servicios
Comprenda lo que afirma la propaganda
Mire las instrucciones antes comprar
Busque más información si la información que tiene no es suficiente

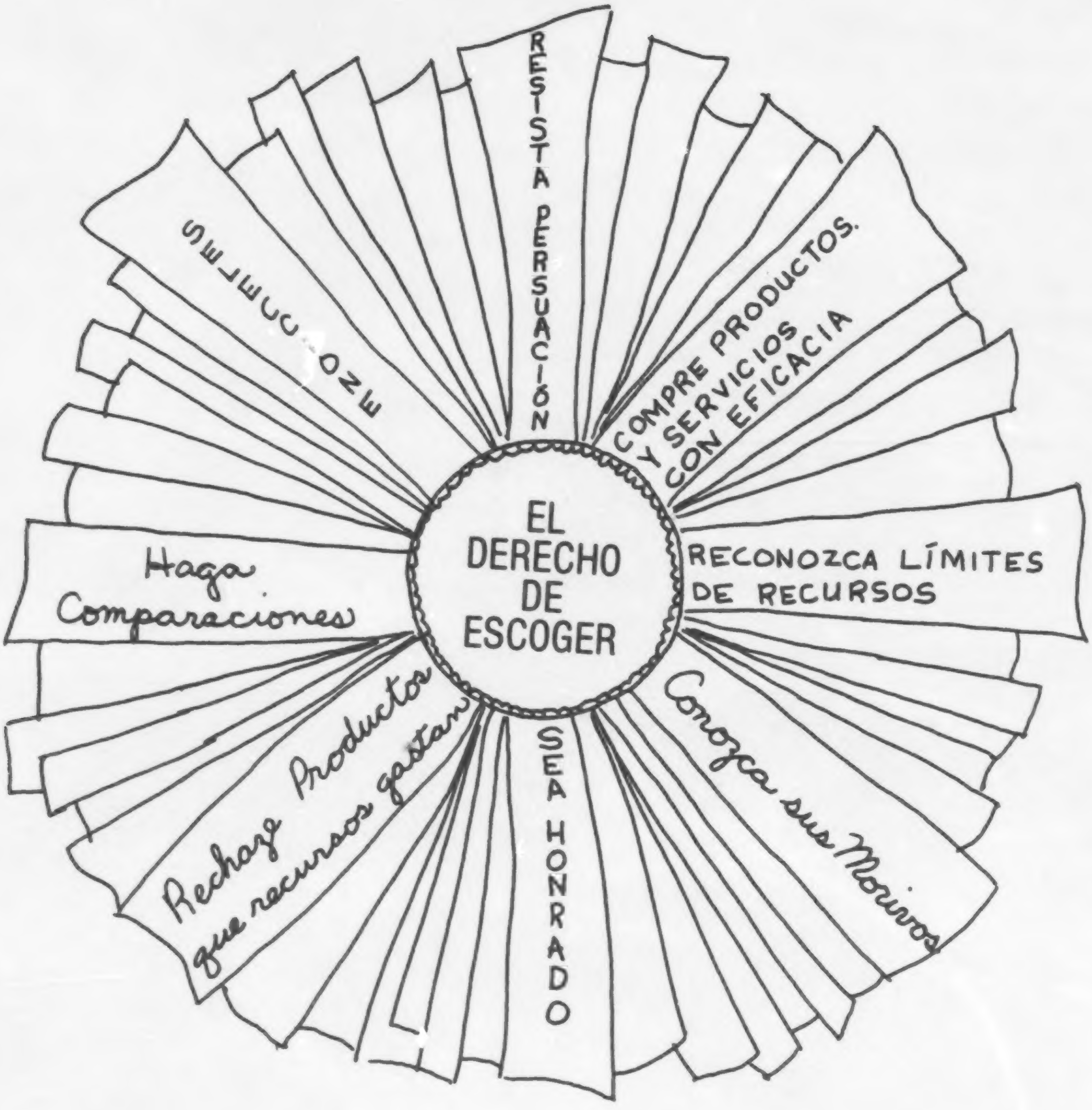
SEGURIDAD

(458)


Examine productos para seguridad
Informe al fabricante si el producto no funciona bien
EL DERECHO DE SEGURIDAD
Estudie las instrucciones antes de comprar y usar
Estudie la información de seguridad sobre el producto

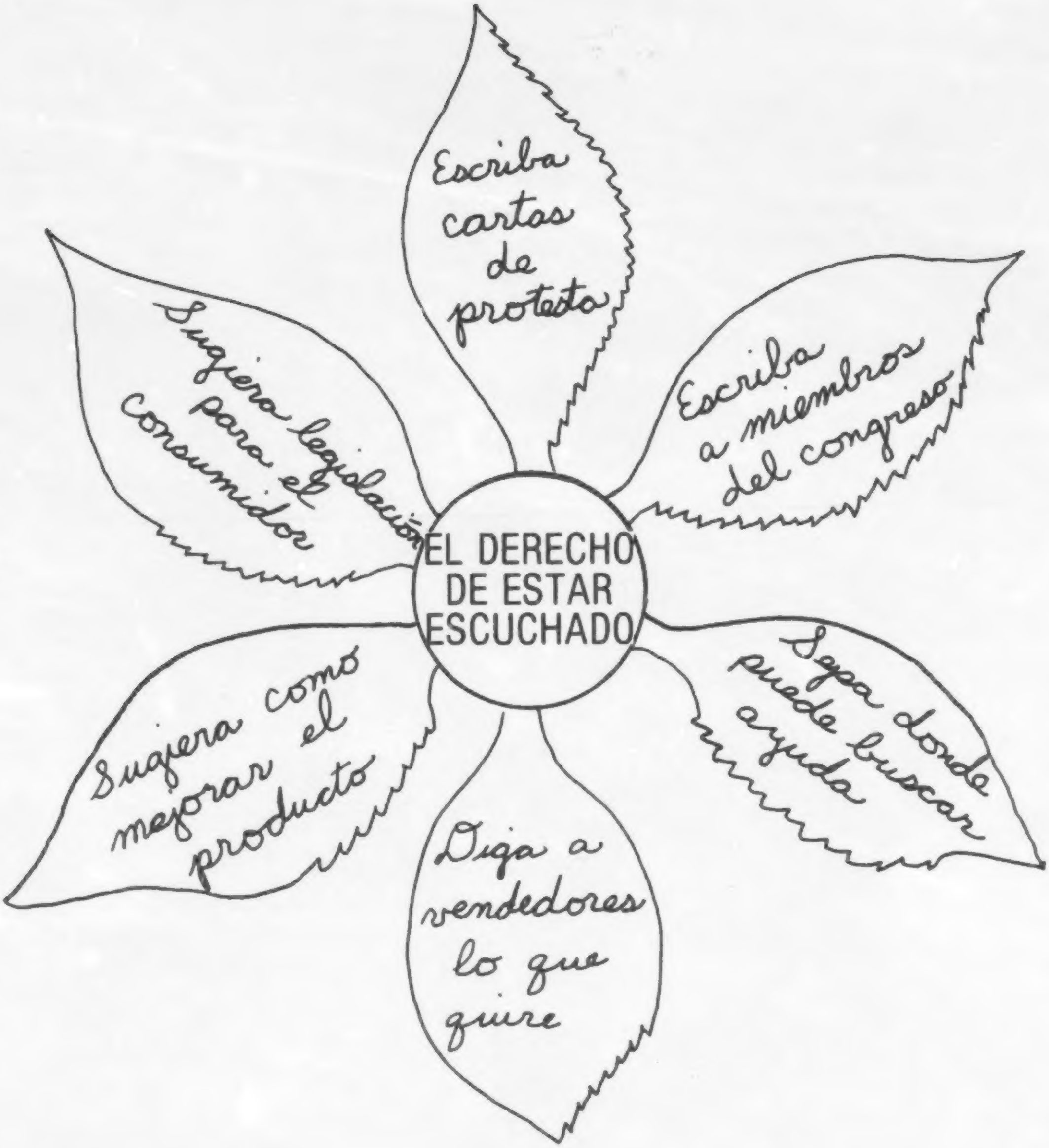
ESCOGER

(459)


EL DERECHO DE ESCOGER
RESISTA PERSUACIÓN
COMPRE PRODUCTOS Y SERVICIOS CON EFICACIA
RECONOZCA LÍMITES DE RECURSOS
Conozca sus Motivos
SEA HONRADO
Rechaze Productos que recursos gastan
Haga Comparaciones
SELECCIONE

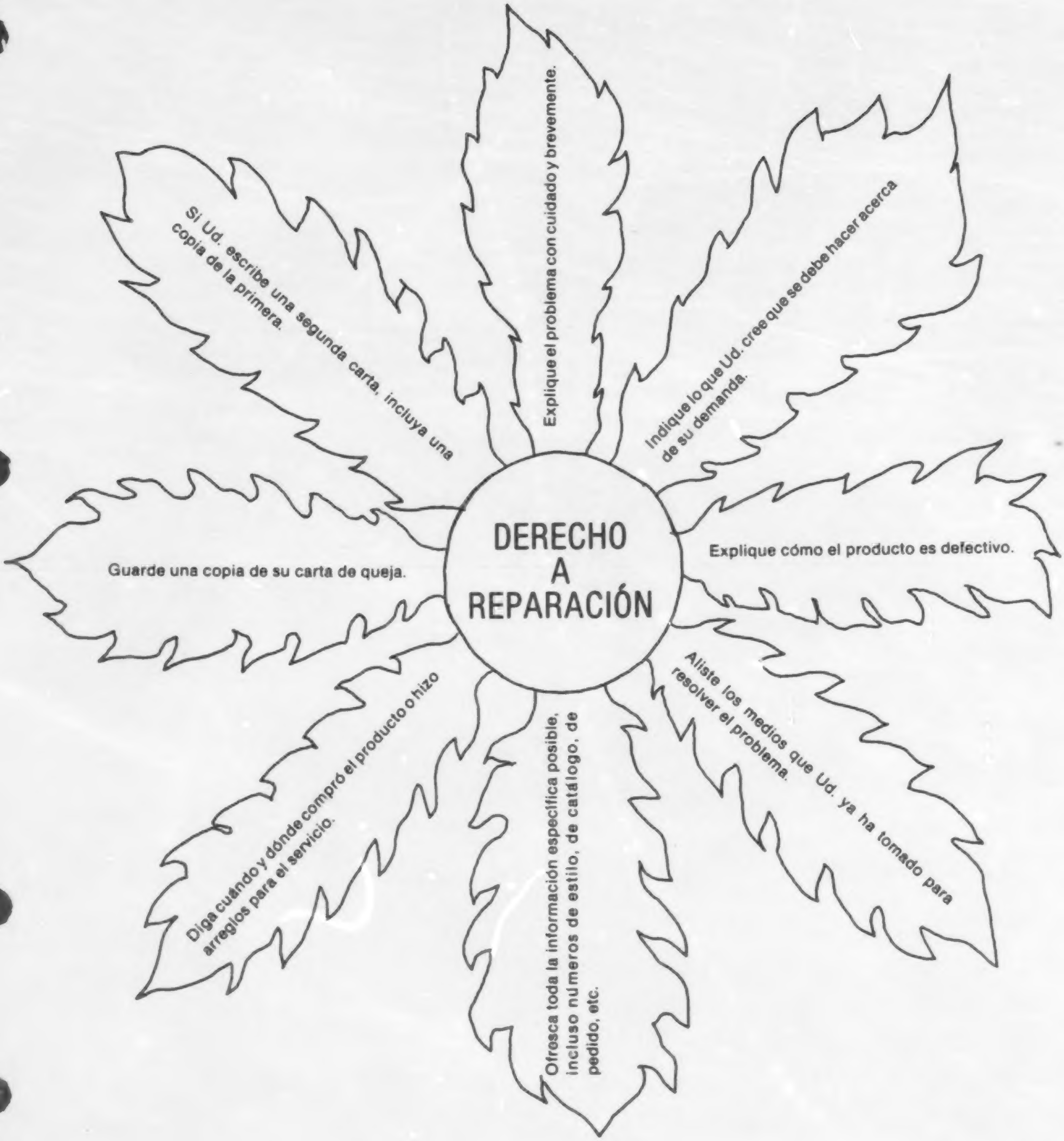
ESTAR ESCUCHADO

(460)


EL DERECHO DE ESTAR ESCUCHADO
Escriba cartas de protesta
Escriba a miembros del congreso
Sepa donde pueda buscar ayuda
Diga a vendedores lo que quire
Sugiera como mejorar el producto
Sugiera legislación para el consumidor

A REPARACIÓN

(461)



DERECHO A REPARACIÓN

Explique el problema con cuidado y brevemente.

Indique lo que Ud. cree que se debe hacer acerca de su demanda.

Explique cómo el producto es defectivo.

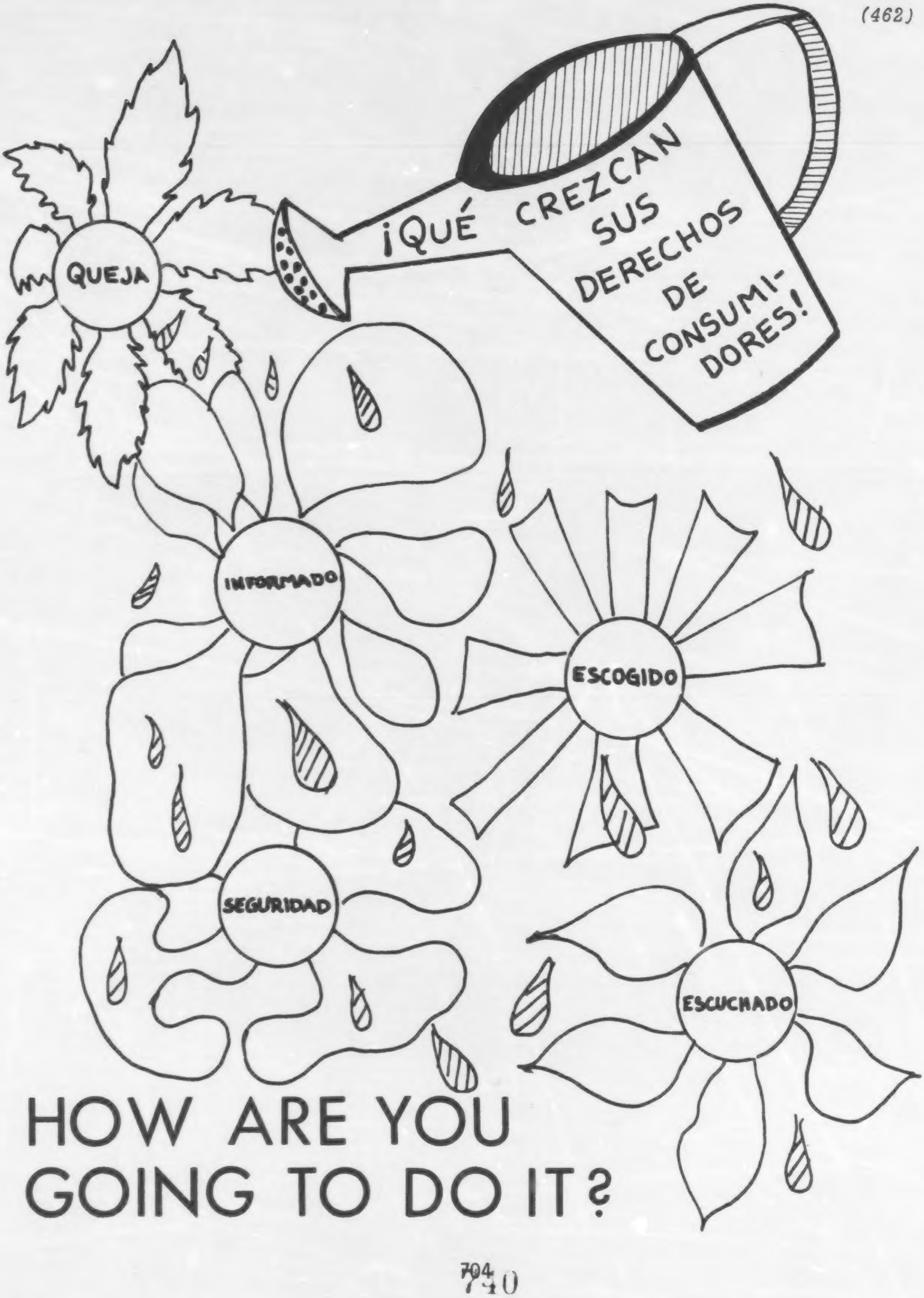
Aliste los medios que Ud. ya ha tomado para resolver el problema.

Ofresca toda la información específica posible, incluso números de estilo, de catálogo, de pedido, etc.

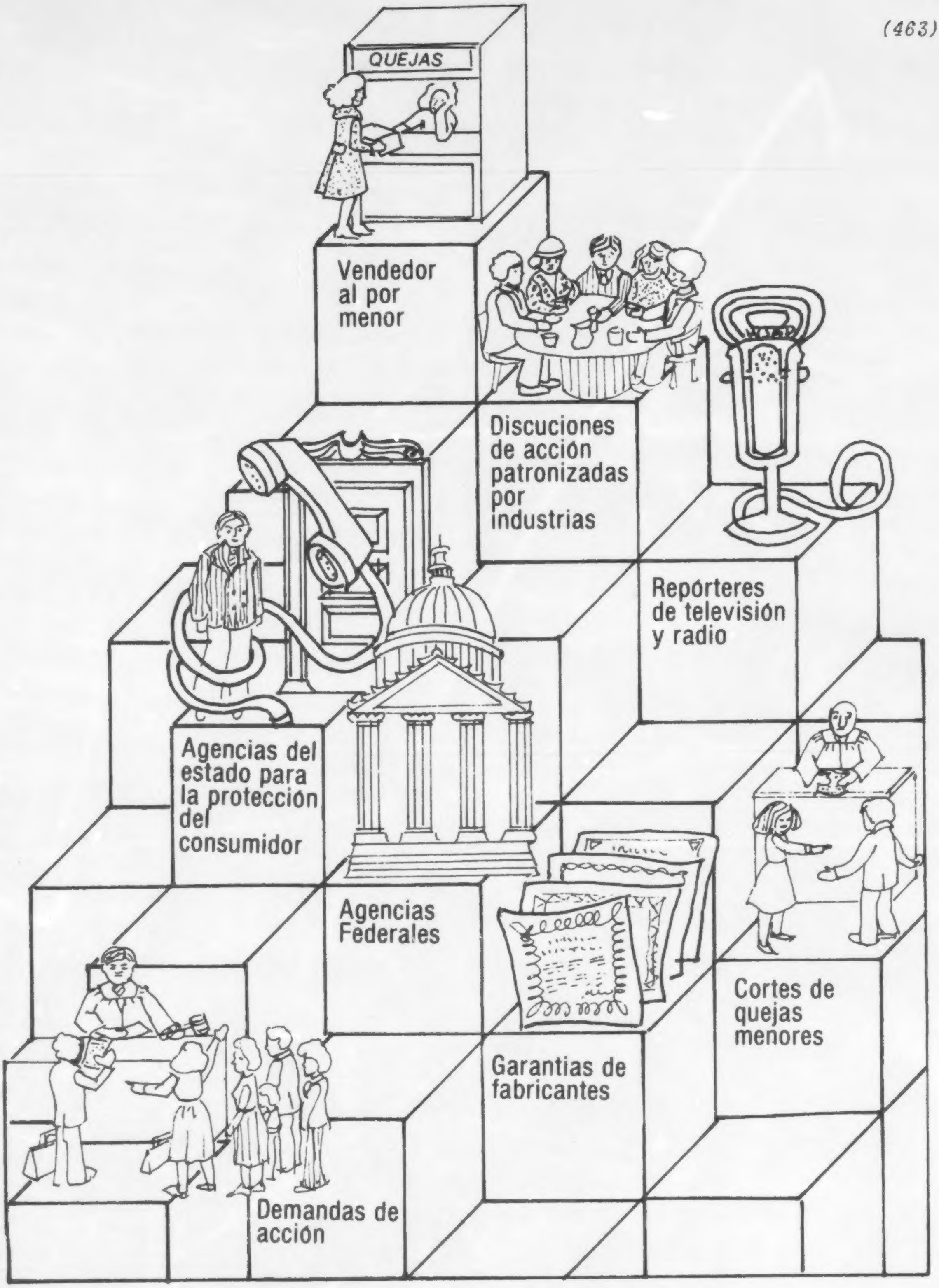
Diga cuándo y dónde compró el producto o hizo arreglos para el servicio.

Guarde una copia de su carta de queja.

Si Ud. escribe una segunda carta, incluya una copia de la primera.


¡QUÉ CREZCAN SUS DERECHOS DE CONSUMIDORES!
QUEJA
INFORMADO
ESCOGIDO
SEGURIDAD
ESCUCHADO

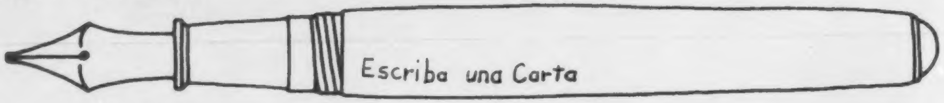
HOW ARE YOU GOING TO DO IT?


QUEJAS
Vendedor al por menor
Discuciones de acción patronizadas por industrias
Reporteres de televisión y radio
Agencias del estado para la protección del consumidor
Agencias Federales
Cortes de quejas menores
Garantias de fabricantes
Demandas de acción

[1] J.C. Penney Company, Inc., "Insights Into Consumerism," 1976.

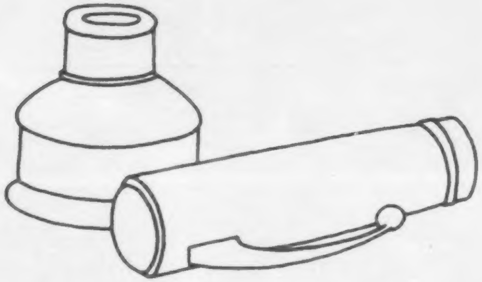
Escriba Su Opinión

ESCRIBIENDO CARTAS DE QUEJA



SIGA ESTE ESQUEMA:

1. Explique el problema con cuidado y brevemente
2. Diga cuando y donde compró el artículo o contrató el servicio
3. Explique exactamente por qué el artículo o servicio es defectivo
4. Diga lo que ha hecho Ud. para resolver el problema.
5. Dé información específica, incluya información sobre el estilo, número de catálogo, número de la pedida, etc.
6. Diga lo que Ud. cree que la compañía debe hacer.
7. Guarde una copia de la carta de queja.
8. Si escribe una segunda carta, incluya una copia de la primera.



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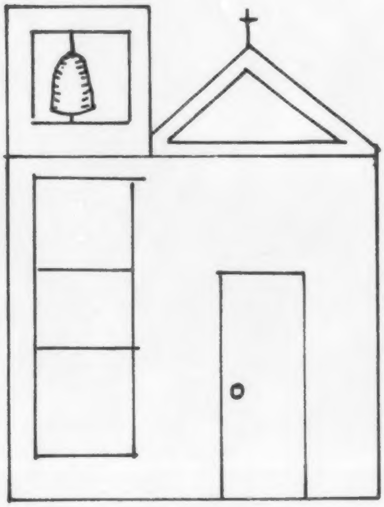
[1] J.C. Penney Company, Inc., "Insights Into Consumerism," 1976.

Como Compartimos

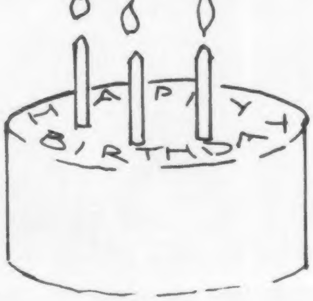
Caridad

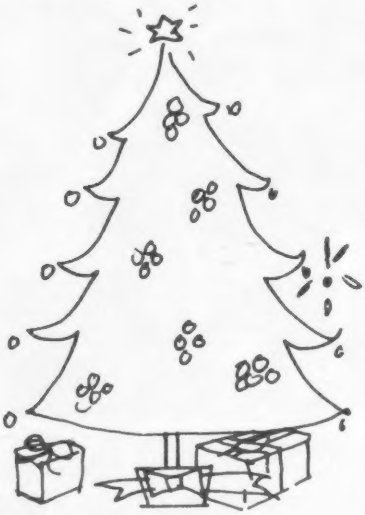
United Way

Iglesia



Personal


HAPPY
BIRTHDAY



COMPARTIMOS DINERO Y TIEMPO POR MEDICO DE LAS IGLESIAS

(469)

Recreo

Cuido a niños

Ayuda a ancianos

Un lugar donde adorar

Ayuda con problemas de familia

Educación y entrenamiento

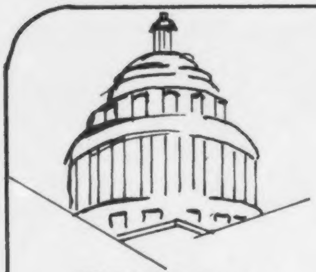
Ayuda en tiempo de emergenica

Un lugar donde se puede estar con amigos

COMO USAN NUESTROS DÓLARES DE IMPUESTOS (474)

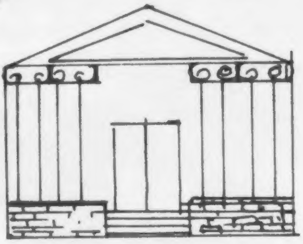
FEDERAL

Caminos
Parques nacionales
Servicios de educación
Servicios de salud y bienestar públicos
Investigaciones agrícolas y médicas
Programa de defensa nacional



ESTADO

Caminos
Lugares de recreo
Escuelas
Hospitales
Escuelas especiales
Asistencia pública
Servicio de bienestar



LOCAL

Protección de policía y bomberos
Escuelas
Colegios de la comunidad
Calles
Aceras
Bibliotecas
Sistemas de agua
Drenaje
Parques
Albercas

REFERENCE LIST
FOR
CONSUMER EDUCATION FOR FAMILIES WITH LIMITED INCOMES

1979

Prepared and Distributed by

Home Economics Instructional Materials Center
Texas Tech University
P.O. Box 4067
Lubbock, Texas 79409

Directed by

Texas Tech University
College of Home Economics
Department of
Home Economics Education
Lubbock, Texas

In cooperation with

Texas Education Agency
Department of Occupational
Education and Technology
Homemaking Education
Austin, Texas

747

CONSUMER EDUCATION FOR FAMILIES WITH LIMITED INCOMES

BOOKS

Bell, Camille G., and Fallon, Berlie J. Consumer and Homemaking Education. Danville, Illinois: Interstate, 1971. 210 pp. ($3.50, l.p., paperback. Case study approach to values, management, human development, and FHA.)

Bittinger, Marvin L. The Consumer Survival Book. Rev. ed. Woodbury, New York: Barron's Educational Series, Inc., 1977. 213 pp. ($2.95, l.p. Precents and your income, saving money on food, purchasing apparel, money management, housing dollars, maintaining your home, home furnishings, saving money on your car, insurance, wills, trusts, taxes, health insurance, health quackery, drugs, advertisers, fraud and deception, contracts, guarantees, and warranties.)

S Bratton, Ester Crew. Home Management Is.... Boston, Massachusetts: Ginn and Company, 1975. 337 pp. ($8.75, l.p., $3.80, l.p., teacher's guide; transparencies available. NOTE: 1971 ed., Texas state adopted text. Keeping house: providing food, caring for the house, caring for textiles, controlling spending; making decisions: home management, resources for managing, values, processes of management; using resources: work capacity, work methods, work spaces, time and money.)

Chambers, Raymond. The Buyer's Handbook--A Guide to Defensive Shopping. Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1976. 121 pp. ($2.45, l.p., paperback. Food; insurance; housing; "easy terms" to starvation: loans, credit, and interest; applicances and appliance repair; and saving money on your health.)

Consumer Education. Rev. ed. Lubbock, Texas: Home Economics Instructional Materials Center, 1977. 496 pp. ($10.00, in Texas; $12.50, out-of-state. Effective consumer management, allocation of resources, principles of consumer purchasing, consumer buying, consumer citizenship, and the consumer and the economy.)

Consumer Reports Editors. The Medicine Show. Rev. ed. Mount Vernon, New York: Consumer's Union, 1976. 384 pp. ($8.50, l.p.; $3.95, l.p., paperback. Order from: Consumer Reports. Based on articles originally published in Consumer Reports: a practical guide to some everyday health problems, health products, and fraud.)

Dorfman, John. Consumer Survival Kit. New York, New York: Praeger Publishers, 1975. 302 pp. ($4.95, l.p., paperback. Consumer information on food, clothing, shelter, transportation, money, funerals, baby materials, investment frauds, retirement planning, wills and estates.)

Consumer's Buying Guide. New York, New York: New American Library, 1978. 205 pp. ($2.50, l.p., paperback. Buying furniture, carpeting, appliances, food, clothing, etc.)

S State adopted textbook	l.p.	list price
	s.p.	school price

Fetterman, Elsie. *Money Management: Choices and Decisions*. Boston, Massachusetts: Houghton Mifflin Company, 1976. 320 pp. ($8.75, l.p. Money management and methods for determining individual action among consumer choices; influence of individual values and goals, needs, wants, and spending; decision-making process; using credit; shelter; buying food and clothes; transportation; savings; insurance; and consumer agencies.)

Fetterman, Elsie, and Jordan, Ruth. *Consumer Credit*. Peoria, Illinois: Chas. A. Bennett Co., Inc., 1976. 243 pp. ($6.60, l.p. Rights and responsibilities of the consumer, types and sources of credit availability, costs of credit, and legal-protection.)

Fetterman, Elsie, and Schiller, Margery K. *Let the Buyer Be Aware! Consumer Rights and Responsibilities*. New York, New York: Fairchild Books and Visuals, 1976. 228 pp. ($5.95, l.p., paperback. How consumers can protect themselves in the marketplace.)

Garman, E. Thomas, and Eckert, Sidney W. *The Consumer's World: Economic Issues and Decisions*. Manchester, Missouri: McGraw-Hill Book Company, 1979. 512 pp. ($11.60, s.p.; $4.40, s.p., student workbook; $4.40, s.p., instructor's manual and key. The consumer; effective consumer buying: services, food, sundry and dangerous products, consumer credit, clothing, household furnishings and appliances, automobiles, housing; planning for the future: money management, consumer savings, investments, life insurance, and local, state, and federal taxes.)

Hudson, Margaret, and Weaver, Ann A. *Getting Ready for Pay Day*. Rev. ed. Phoenix, New York: Frank E. Richards Publishing Co., Inc., 1963. Approximately 30 pp. each. ($1.75, l.p., each, paperback. Three volumes. Vol. I, *Checking Accounts*--making money, opening a checking account, writing checks, keeping a record, and endorsing a check; Vol. II, *Savings Accounts*--spending money, opening a savings account, making a deposit, withdrawing money, finding total of savings, interest; Vol. III, *Planning Ahead*--pay day, budgeting, planning, taking care of needs, and making a budget. Easy reading.)

Jelly, Herbert M., and Herrman, Robert O. *The American Consumer: Issues and Decisions*. Manchester, Missouri: McGraw-Hill Book Company, 1978. 552 pp. ($8.40, s.p.; $3.84, s.p., student activity guide; $4.80, s.p., teacher's resource manuel. Planning and decision making; buying the basics: clothes, food, and cars; finding and equipping a place to live; financial security; consumer credit, taxes, and government; and protecting and assisting consumers.)

Kimbrell, Grady, and Vineyard, Ben S. *Activities for Succeeding in the World of Work*. 2nd ed. Bloomington, Illinois: McKnight Publishing Company, 1975. 262 pp. ($3.80, l.p., paperback. You and work, part-time jobs, applying for a job, interpersonal relationships, job performance, understanding self, safety, managing money, consumer responsibilities, banking, insurance, etc.)

Kimbrell, Grady, and Vineyard, Ben S. *Succeeding in the World of Work*. 2nd ed. Bloomington, Illinois: McKnight Publishing Company, 1975. 326 pp. ($11.96, l.p. Applying for a job, getting along with co-workers, progressing on the job, understanding yourself, meeting adult responsibilities, managing money, using credit, using banking services, and meeting future responsibilities.)

McGough, Elizabeth. *Dollars and Sense: The Teenage Consumer's Guide*. New York, New York: William Morrow and Company, Inc., 1975. 160 pp. ($6.00, l.p. Youth as consumers--money problems, advertising, health frauds, shopping, credit, buying a car, legal rights of a minor, and how to complain effectively.)

Maedke, Wilmer O., *et al*. *Consumer Education*. Encino, California: Glencoe Publishing Co., Inc., 1979. 520 pp. (Price not set. The consumer; economic roles; money management; credit; insurance: automobile, property, life, health, and income insurance; buying clothing; transportation; leisure time; buying food; buying shelter; and using professional services.)

Oehlbeck, J. Tracy. *The Consumer's Guide to Life Insurance*. New York, New York: Jove Publications, Inc., 1975. 176 pp. ($1.75, l.p. Order from: Harcourt Brace Jovanovich. Insurance jargon, varieties of term life insurance, the bait of "something back", family insurance, other forms of life insurance, buy term--invest the difference.)

Stillman, Richard J. *Guide to Personal Finance: A Lifetime Program of Money Management*. 2nd ed. Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1975. 493 pp. ($14.95, l.p. Managerial approach to financial health; spending your money wisely; housing; insurance program; diversified investment portfolio, other potential investments--real estate, hobbies, and commodities; income taxes, retirement, and estate planning.)

S Thal, Helen M., and Holcombe, Melinda. *Your Family and Its Money*. Rev. ed. Boston, Massachusetts: Houghton Mifflin Company, 1973. 294 pp. ($7.96, l.p. Social and economic setting in which families live, management in family living, and financial information to aid in decision making and money matters.)

S Warmke, Roman F.; Wyllie, Eugene D.; and Sellers, Beulah E. *Consumer Decision Making: Guides to Better Living*. Cincinnati, Ohio: South-Western Publishing Company, 1972. 482 pp. ($7.76, l.p. Economic forces and influences which affect daily life; economic principles; suggested buying practices; and economic roles of consumer, worker, and citizen-voter.)

Wish, John R.; Steely, Donald G.; and Tritter, Stephen E. *The Consumer: The Art of Buying Wisely*. Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1978. 290 pp. ($10.10, s.p. The consumer, seller, product and service features, product and service consequences, information sources and limits, social values, the environment, recourse, and applications.)

Wool, John D. *The Bank Book*. Liverpool, New York: Frank E. Richards Publishing Co., Inc., 1973. 89 pp. ($1.95, l.p. Choosing a bank; savings accounts, checking accounts, safe deposit box, travelers' checks, loans, Christmas club, savings bonds, and money denominations. Easy reading.)

PAMPHLETS

Budgeting for the Retired Couple. 1973. 11 pp. ($0.35, l.p. Order from: Consumer Product Information. Planning a retirement budget and a cost of living comparison for retired couples living in selected cities.)

Consumer Facts Leaflets. Madison, Wisconsin: CUNA, Inc., n.d. ($0.05, each; $3.00, packet containing one of each leaflet in the CCI series; $5.40/100, 100-499; $4.60/100, 500-999; $38.20/1000, 1000-9999. Managing your family's credit, funeral facts, consumer education for children, your will, social security, medicare, money management for young couples, housing, check car, veteran's benefits, student loans for your higher education, Truth-in-Lending, bank Christmas clubs, durable press, buying a car, warranties and guarantees, credit reports, life insurance, cosigning, credit unions, and other topics.)

A Date with Your Future. New York, New York: American Council of Life Insurance, 1974. 33 pp. (Free to teachers in quantities up to 100. Financial decisions that high school students will face in the early years of their adulthood; financial planning for higher education and vocational training, marriage, and parenthood; and use of credit and banking services, tax payments; purchase and rental of housing, and selection of insurance coverage.)

How to Create Overhead Projection Transparencies That Get Attention. St. Paul, Minnesota: 3M Company, 1978. 23 pp. (Free. Why presenters need overhead projection, preparing the original, preparing the transparency (visual), finishing the transparency, and special tips.)

How to Sue in Small Claims Court. Austin, Texas: State Junior Bar of Texas, 1974. 18 pp. ($0.50, l.p. What kind of cases may be tried in small claims court, who may use the small claims court, whom may you sue in the small claims court, which small claims court do you use, how do you decide when to sue, preparing your case before suing, should you have a jury trial, how to start your suit, the trial, should you appeal, how to get your money, and checking with an attorney.)

Making the Most of Your Money. Washington, D.C.: American Council of Life Insurance, 1975. 48 pp. (Free to teachers in quantities up to 100. Five case studies focus on the importance of planning in controlling financial resources when learning consumer skills: evaluating used car purchases; constructing a budget; comparison shopping at the supermarket; computing the cost of buying on credit; and learning to live on a weekly salary minus payroll deductions.)

Money Guides. San Juan Capistrano, California: Modulearn, Inc.; Joseph W. Foraker/Learning Programs, 1976. 30-45 pp. each. ($15.95, l.p. Eight booklets. Jobs and Careers, Personal Money Management, Family Finance, Buying or Renting a Home, Vacations and Travel, Automobiles, Insurance, and Home Improvements.)

751

Money Management Series. Chicago, Illinois: Money Management Institute, Household Finance Corporation, 1975. 40 pp. each. ($0.50, l.p., each; $5.00, l.p., twelve booklets in a library box. Reaching Your Financial Goals, It's Your Credit--Manage It Wisely, Children's Spending, Your Food Dollar, Your Clothing Dollar, Your Housing Dollar, Your Home Furnishings Dollar, Your Equipment Dollar, Your Shopping Dollar, Your Automobile Dollar, Your Health and Recreation Dollar, and Your Savings and Investment Dollar.)

Using Retail Credit. Rev. ed. Chicago, Illinois: Sears, Roebuck and Co., 1978. 19 pp. ($1.00, l.p., set of 20; $1.00, l.p., set of 20, Spanish language version: Uso Del Credito. Overview of retail credit directed to meet needs of low income consumers: revolving charge accounts, installment credit, monthly financial plan, credit application, credit agreement, monthly statement, credit card, finance charges, importance of honoring credit agreements, and laws that protect consumers.)

Wise Rental Practices. Washington, D.C.: U.S. Department of Housing and Urban Development, 1977. 24 pp. (Free. Types of rental selection, what landlords expect, housing codes, repair of damages, conveniences, rental agreement, lease, rules and regulations, landlord's rights and responsibilities, and renter's use and occupancy.)

Women and Social Security: Adapting to a New Era. Washington, D.C.: U.S. Government Printing Office, 1975. 87 pp. ($1.10, l.p. The changing role of women in the labor force, women's stake in the Social Security System, major legislative proposals and task force recommendations, and goals--greater equity for older women.)

You, the Law and Retirement. 1972. 38 pp. ($0.70, l.p. Order from: Consumer Product Information. Why and how to see a lawyer when planning for retirement, making a will, designating power of attorney, and setting up trust funds.)

PAMPHLET SOURCES

Consumer Product Information, Pueblo, Colorado 81009.

Consumer Survival Kit, P.O. Box 1977, Owings Mill, Maryland 21117.

National Better Business Bureau, 230 Park Avenue, New York, New York 10017.

The Sperry and Hutchison Company, Consumer Services, 2900 West Seminary Drive, Ft. Worth, Texas 76133.

Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

PERIODICALS

Changing Times: The Kiplinger Magazine. Editors Park, Maryland: The Kiplinger Washington Editors, Inc. ($12.00, 1-year subscription; $1.00, single copy. Order from: Changing Times. Published monthly. Guidelines for the consumer.)

Co-ed. Englewood Cliffs, New Jersey: Scholastic Magazines, Inc. ($5.00, 10 issues. Published monthly--September thru June. Special features on child development; intellectual, social, emotional, and physical aspects of teenage girls; food preparation; fashion: to make, to buy; housing; and money management.)

The Consumer Information Catalog. Pueblo, Colorado: Consumer Product Information. (Free. Published quarterly. Lists more than 200 selected Federal consumer publications on such subjects as: automobiles, consumer protection, child care, health, food and nutrition, gardening, housing, energy conservation, and employment.)

Consumer Reports. Orangeburg, New York: Consumers Union. ($11.00, annual subscription; $1.00, single copy; school order plan: $0.35, per copy, minimum 20 copies per issue, September--May, except December. Order from: Consumer Reports. Published monthly. Information and counsel on consumer goods and services.)

Current Consumer. Highwood, Illinois: Curriculum Innovations, Inc. ($3.50, per student per school year; minimum 15 subscriptions to one address.) Published monthly during school year September--May. Consumer news, marketplace, money management, and consumer law.)

Forecast. Englewood Cliffs, New Jersey: Scholastic Magazines, Inc. ($5.00, 9 issues. Order from: Forecast for Home Economics. Published monthly, September--April, bimonthly May/June. *Co-ed* magazine. Teaching techniques, special features, clothing and textile arts, health and grooming, food and nutrition, home furnishings and equipment, careers, crafts, personal development, and consumer awareness.)

Future Homemaker. Austin, Texas: Texas Education Agency. ($0.20, a year. Available only to Texas FHA. Published four times a year--August, October, January, May. Highlights from homemaking programs in Texas.)

Good Housekeeping. New York, New York: Hearst Corporation. ($8.97, one-year; $16.97, 2-year; and $24.97, 3-year subscription. Published monthly. Home furnishings, food, beauty, health, needlework, fashions, home building and decorating, and diet and nutrition.)

Illinois Teacher of Home Economics. Urbana, Illinois: Division of Home Economics, University of Illinois. ($7.50, 1-year subscription; $21.00, 3-year subscription; $1.75, single copy. Published five times during academic year. Order from: Illinois Teacher. Teaching techniques and curriculum ideas.)

Ladies' Home Journal. New York, New York: Downe Publishing Co., Inc. ($6.99, 1-year subscription; $9.99, 2-year subscription; $0.75, single copy. Published monthly. Food and equipment, fashions and sewing, health and beauty, home furnishings, decorating and crafts.)

Penney's Forum. New York, New York: J.C. Penney Company, Inc. (Free. Distributed by managers of J.C. Penney Stores bi-annually. Curriculum ideas; teaching techniques; and special features such as value clarification, consumerism, interpersonal relationships, attitudes, behavior, human potential, and other information for educators.)

Teaching Topics. Washington, D.C.: American Council of Life Insurance. (Free to all educators who have ordered educational classroom materials from American Council of Life Insurance. Published semiannually--Spring and Fall. Topics relating to personal and family financial planning.)

Teen Times. Washington, D.C.: Future Homemakers of America. ($4.00, 1-year subscription; $0.75, single copy. Published quarterly--September/October, November/December, January/February, March/April. Project ideas, issues of concern to teens, and leadership techniques.)

Tips and Topics. Lubbock, Texas: Texas Tech University. ($4.00, quarterly. Order from: Tips and Topics. Teaching ideas and information on current trends in the field of home economics.)

What's New in Home Economics. Philadelphia, Pennsylvania: North American Publishing Company. ($29.00, 15 issues. Order from: What's New in Home Economics. Published monthly--May, September, December; twice monthly--January, February, March, April, October, November. Special features on child development, consumer education, nutrition, clothing and textiles, housing, and money management; critique of new educational materials and teaching techniques.)

PERIODICAL SOURCES

School library and local newsstands.

TEACHING AIDS

Banking Services. Clemson, South Carolina: Vocational Education Media Center, 1973. ($5.00, l.p. Thirty-one transparencies. Bank services, differences in banks, laws governing banks, the Federal Reserve System, types of accounts and checks, automatic banking machines, and bank cards.)

Be a Better Shopper. Rev. ed. Ithaca, New York: Cornell University, 1977. ($45.00, l.p., teaching kit with slides; $6.00, l.p., teaching kit without slides. One resource kit, slides, leader's guide, script with a picture of each slide, record sheets, shopper's cent saver. Developing and improving shopping skills, stretching supermarket dollars, the values and rewards of planned spending, and the importance of participation by all members of a family in deciding money matters.)

Be Credit-Wise. Chicago, Illinois: Money Management Institute, n.d. ($3.50, l.p. One filmstrip, color, sound, 87 frames, cassette, teacher's guide, and script. Types and sources of consumer credit, how to evaluate them, the benefits offered by their wise use, and the troubles that come with credit.)

The Butterick Consumer Education Series. Altoona, Pennsylvania: Butterick Publishing, 1977. ($325.00, l.p., series; $75.00, l.p., each. Fifteen filmstrips, color, sound, 10 minutes each, cassettes, teacher's guide, transparencies, and spirit masters. Program 1: We Are All Consumers, Plenty to Choose From, Money on the Move; Program 2: Planning Ahead, Setting Priorities, Managing Your Money; Program 3: Understanding Advertising, Comparison Shopping, Pressure to Buy; Program 4: Satisfaction Guaranteed, Responsible Buyers and Sellers, Following Through; Program 5: Buy It or Do It Yourself, Power to the Purchaser, The Consumer Question.)

Consumer Education: Budgeting. Santa Monica, California: BFA Educational Media, n.d. ($145.00, l.p., purchase; $15.00, rental. One 16mm film, color, sound, 12 minutes. Budget planning.)

Consumer Education: Installment Buying. Santa Monica, California: BFA Educational Media, n.d. ($155.00, l.p., purchase; $15.00, rental. One 16mm film, color, sound, 13 minutes. Benefits and dangers of purchasing commodities on an installment plan; down payments, interest charges, and maximum loan limits.)

Consumer Education: Retail Credit Buying. Santa Monica, California: BFA Educational Media, n.d. ($135.00, l.p., purchase; $15.00, rental. One 16mm film, color, sound, 11 minutes. Buying with a credit card, computing credit charges.)

Consumer Guide for Older People. Washington, D.C.: U.S. Department of Health, Education, and Welfare, 1977. (Free. Pocket guide with personal identification card, phone numbers, and ways to protect against frauds and swindles.)

Consumer Power: Credit. Santa Monica, California: BFA Educational Media, 1975. ($295.00, l.p., purchase; $22.00, rental. One 16mm film, color, sound, 20 1/2 minutes. Over extending credit, cost of credit, and benefits to individual and economy through use of credit.)

The Contemporary Consumer Series. Manchester, Missouri: McGraw-Hill Book Company, 1975. ($29.95, l.p., purchase each set; student manuals may be purchased separately. Series of eight modules. Each module contains five copies of the appropriate text, sound filmstrip, teacher's manual and key, methodology manual. Protection and the Law; Housing, Furniture, and Appliances; Understanding the Marketplace; Food and Clothing; Health, Education, and Recreation; Transportation; Financial Security; and Money Management.)

Fetterman, Elsie. *The Contemporary Consumer Sound Filmstrips*. Manchester, Missouri: McGraw-Hill Book Company, 1975. ($200.00, l.p., purchase. Set of eight filmstrips, cassettes. Each filmstrip presents a dilemma often faced by consumers--these themes unfold in a dramatic format and the dilemmas are deliberately unresolved.)

Corner Stores and Supermarkets: Your Guide to Understanding the Marketplace. New York, New York: The Sperry and Hutchison Company, 1978. ($3.50, l.p., kit; $0.25, l.p., additional booklet. One resource kit, leader's guide, wallchart with overlays, 10 booklets. Improving food shopping skills; available in kits for either adults or school programs.)

Dealing With Life Insurance. Washington, D.C.: American Council of Life Insurance, n.d. ($10.00, l.p. One resource kit, five decks of playing cards, instructor's guide with pre-test and post-test, and instructions for game. Basic concepts of life insurance and the options available in life insurance coverage that enable people to meet their personal needs; the card game is based on "Gin Rummy" and "Go Fish.")

Food Dollars and Sense. Chicago, Illinois: Money Management Institute, n.d. ($4.50, l.p. One filmstrip, color, sound, 82 frames, cassette, teacher's guide, script, and spirit masters. Six ways to stretch food dollars, including planning purchases, shopping and storing foods, and using the latest consumer aids.)

Foot in the Door. Studio City, California: FilmFair Communications, 1973. ($140.00, l.p., purchase; $15.00, rental. One 16mm film, color, sound, 9-1/4 minutes, study guide. Fraud and door-to-door salespersons.)

Getting Your Dollar's Worth. New Brunswick, New Jersey: New Jersey Vocational-Technical Curriculum Laboratory, 1975. 68 pp. ($3.00, l.p. Buying on time, other types of credit, advertising abuses, brand names, contracts, guarantees, fraud, small claims court, how to save money, Truth-in-Lending law, "bargains," and garnishment; concepts are presented in anecdotal form designed to hold attention of non-verbal students.)

Magical Disappearing Money. Studio City, California: FilmFair Communications, 1973. ($145.00, l.p., purchase; $15.00, rental. One 16mm film, color, sound, 11 minutes, study guide. Comparative shopping.)

The Marketplace. Dallas, Texas: Association Films, Inc., Regional Center, n.d. (Free loan. One 16mm film, color, sound, 14 1/2 minutes. Laws concerning weights and measures and the ways they are enforced and controlled by state, national, and international standards to protect consumers and insure equity.)

Meet Margie. Studio City, California: FilmFair Communications, 1976. ($150.00, l.p., purchase; $15.00, rental. One 16mm film, color, sound, 10 minutes, study guide. Living on a low or fixed income.)

Money Management Filmstrip Library. Prospect Heights, Illinois: Money Management Institute, n.d. ($15.00, l.p., filmstrip library; Individual filmstrips: $4.50, l.p., Money Talks; $3.50, l.p., Be Credit-Wise; $4.50, l.p., Food Dollars and Sense; $4.50, l.p., Wheels, Deals, and You. Four filmstrips, color, sound, 82-93 frames each, cassettes, scripts, spirit masters, guides. Financial planning to fit individual needs.)

Read Before You Write. Studio City, California: FilmFair Communications, 1973. ($100.00, l.p., purchase; $10.00. rental. One 16mm film, color, sound, 6 1/4 minutes. Contracts.)

This Is Fraud! Studio City, California: FilmFair Communications, 1973. ($115.00, l.p., purchase; $10.00, rental. One 16mm film, color, sound, 8 1/4 minutes, study guide. Consumer fraud.)

Tommy's First Car. Studio City, California: FilmFair Communications, 1973. ($145.00, l.p., purchase; $15.00, rental. One 16mm film, color, sound, 11 minutes, study guide. Buying a used car.)

Wood, Merle W. The Money Kit. Lafayette, California: Crestmark Publishing, n.d. ($33.50, l.p., kit; additional bills and coins available. One resource kit, teacher's guide, simulated money, cards containing change making problems. Simulated money kit for use in teaching consumer change making skills, cashiers, bank tellers, retail sales clerks, cash register operators, and cash payroll clerks.)

You Owe It to Yourself. New York, New York: Fairchild Books and Visuals, n.d. ($240.00, s.p., purchase, each film. Ten 16mm films, color, sound, 30 minutes each, teacher's guide, 15 study guides, 15 viewer guides, pre-test, post-test for each film. Budgeting, Consumer Credit, Financing Housing and Family Needs, Social Security and Medicare, Life Insurance, Health Insurance, Property and Liability Insurance, Banks and Other Savings Institutions, Investments and Risk Capital, and Estate Planning.)

TEACHING AID SOURCES

American Home Economics Association, 2010 Massachusetts Avenue, Northwest, Washington, D.C. 20036.

Changing Times Education Service, 17290 H Street, Northwest, Washington, D.C. 20006.

Local county extension agent.

Local internal revenue office.

Local social security office.

Nasco, Fort Atkinson, Wisconsin 53538.

National Educational Media, Inc., 15760 Ventura Boulevard, Encino, California 91436.

Office of Consumer Affairs, New Executive Office Building, Seventeenth and H Street, Northwest, Washington, D.C. 20506.

Procter and Gamble, P.O. Box 1409, Department V., Cincinnati, Ohio 45214.

U.S. Consumer Safety Commission, Washington, D.C. 20207.

CONSUMER EDUCATION FOR FAMILIES WITH LIMITED INCOMES
Spanish Supplement

PAMPHLETS

Charlatanería (Quackery). Pueblo, Colorado: Consumer Information Center, 1974. 2 pags. (Free. Situaciones corrientes de fraudes médicos; como puede usted protegerse y como informar sobre el incidente.)

Como Comprar Alimentos (How to Buy Food). Pueblo, Colorado: Consumer Information Center, 1971. 51 pags. (Free. Una guía bilingüe para seleccionar alimentos.)

Como Comprar Carne Para Conservar en el Congelador (How to Buy Meat for the Freezer). Pueblo, Colorado: Consumer Information Center, 1971. 28 pags. ($0.35, l. p. Buying meat for the freezer.)

Como Comprar Huevos (How to Buy Eggs). Pueblo, Colorado: Consumer Information Center, 1972. 8 pags. ($0.25, 1.p. Buying eggs.)

Como Comprar Productos Lácteos (How to Buy Milk Products). Pueblo, Colorado: Consumer Information Center, 1973. 15 pags. ($0.25, 1.p. Buying milk products.)

¿Debería Usted Comprar o Alquilar una Casa? (Should You Buy or Rent a House?). Pueblo, Colorado: Consumer Information Center, 1973. 2 pags. (Factors related to buying or renting a house.)

El Seguro Hipotecario Para su Casa (Home Mortgage Insurance). Pueblo, Colorado: Consumer Information Center, 1972. 14 pags. (Free. Seguros gubernamentales para préstamos para comprar, construir o mejorar casas.)

Garantías (Warranties). Pueblo, Colorado: Consumer Information Center, 1977. 7 pags. (Free. Tipos que exige la ley; que hacer en caso de que usted tenga un problema con un producto bajo garantía.)

Garantías: Como Protegerse. Washington, D.C.: Federal Trade Commission, n.d. 2 pags. (Free. Order from: Consumer Information Center. La diferencia entre "guarantees" y "warranties.")

Información Para el Consumidor. Pueblo, Colorado: Consumer Information Center, 1977. 8 pags. (Free. Selected list of Federal consumer publications in Spanish.)

La Compra Acertada de una Casa (Wise Home Buying). Pueblo, Colorado: Consumer Information Center, 1973. 32 pags. (Free. Como seleccionar a un agente de compra y venta de casas; como encontrar una casa; como financiarla.)

"Lo que Truth in Lending" Significa Para Usted (Truth-in-Lending Law). Pueblo, Colorado: Consumer Information Center, 1970. 6 pags. (Free. Explica los derechos del consumidor bajo la ley federal para obtener información completa sobre los términos del crédito.)

Ley Sobre el Derecho de Igualdad de Crédito (Equal Credit Opportunity). Pueblo, Colorado: Consumer Information Center, 1977. 4 pags. (Free. Su derecho a tener crédito y que hacer si le han negado el crédito por razones de sexo, estado civil, raza, color, credo, origen nacional o edad.)

Ley de Igualdad de oportunidad en el Crédito. Washington, D.C.: Federal Trade Commission, n.d. 2 pags. (Free. Order from: Consumer Information Center. Credito.)

Ley Sobre un Informe de Crédito Justo (Fair Credit Reporting Act). Pueblo, Colorado: Consumer Information Center, 1973. 5 pags. Los derechos del consumidor bajo una ley federal para que se le informe sobre su crédito; como corregir y eliminar información incorrecta en el informe de crédito.)

Medicaid/Medicare: ¿Cuál es Cuál? (Medicaid/Medicare: Which is Which?). Colorado: Consumer Information Center, 1976. 29 pags. (Free. Explica la diferencia entre estos programas federales de seguro médico.)

Mercancía no Solicitada (Unordered Merchandise). Pueblo, Colorado: Consumer Information Center, 1973. 3 pags. (Free. Lo que usted debe hacer si recibe mercancía por correo que no ha pedido.)

Mind Your Money Leaflets. Chicago, Illinois: Money Management Institute, n.d. n.p. ($0.25, l.p., per set. Three leaflets. When You Spend, When You Shop, and When You Use Credit.)

No deje que le Roben por Correo (Don't be Robbed by Mail). Pueblo, Colorado: Consumer Information Center, 1974. 15 pags. (Free. Quince estafas corrientes; como protegerse y donde quejarse.)

Protección Para la Persona de Edad Avanzada (Protection for the Elderly). Pueblo, Colorado: Consumer Information Center, 1973. 6 pags. (Free. Como ayudar a una persona de edad avanzada a protegerse contra fraudes comunes.)

Sus Derechos en Vivienda (Your Housing Rights). Pueblo, Colorado: Consumer Information Center, 1972. 6 pags. Que es la ley de Vivienda Justa; cuando se aplica y como presentar quejas de discriminación.)

Ventas de Seguros por Correo (Mail Order Insurance). Pueblo, Colorado: Consumer Information Center, 1973. 3 pags. (Free. Fraudes corrientes; como protegerse.)

PUBLISHER'S LIST

American Council of Life Insurance
1850 K Street, N.W.
Washington, DC 20006

Association Films, Inc.
Regional Center
8615 Directors Row
Dallas, TX 75247

Barron's Educational Series, Inc.
113 Crossways Park Drive
Woodbury, NY 11797

Bennett, Chas. A., Co., Inc.
809 W. Detweiller Drive
Peoria, IL 61614

BFA Educational Media
2211 Michigan Avenue
P.O. Box 1795
Santa Monica, CA 90406

Butterick Publishing
161 Avenue of the Americas
New York, NY 10013

Changing Times
The Kiplinger Magazine
Editors Park, MD 20782

Consumer Product Information
Public Documents Distribution Center
Pueblo, CO 81009

Consumer Reports
P.O. Box 1000
Orangeburg, NY 10962

Cornell University
New York State College of Human Ecology
Mailing Room
Building 7, Research Park
Ithaca, NY 14853

Crestmark Publishing
P.O. Box 1182
Lafayette, CA 94549

CUNA, Inc.
P.O. Box 431
Madison, WI 53701

Curriculum Innovations, Inc.
501 Lake Forest Avenue
Highwood, IL 60040

Downe Publishing Company, Inc.
641 Lexington Avenue
New York, NY 10022

Fairchild Books and Visuals
7 East 12th Street
New York, NY 10003

FilmFair Communications
10900 Ventura Boulevard
Studio City, CA 91604

Future Homemakers of America
National FHA/HERO Headquarters
2010 Massachusetts Avenue, N.W.
Washington, DC 20036

Ginn and Company
A Xerox Education Company
191 Spring Street
Lexington, MA 02173

Glencoe Publishing Co., Inc.
17337 Ventura Boulevard
Encino, CA 91316

Harcourt Brace Jovanovich, Inc.
757 Third Avenue
New York, NY 10017

Hearst Corporation
717 Fifth Avenue
New York, NY 10022

Home Economics Instructional Materials Center
Texas Tech University
P.O. Box 4067
Lubbock, TX 79409

Houghton Mifflin Company
2 Park Street
Boston, MA 02107

Illinois Teacher
351 Education Building
University of Illinois
Urbana, IL 61801

Interstate
19-27 North Jackson Street
Danville, IL 61832

McGraw-Hill Book Company
Distribution Center
Manchester Road
Manchester, MO 63011

McKnight Publishing Company
P.O. Box 2854
Bloomington, IL 61701

Modulearn, Inc.
Joseph W. Foraker/Learning Programs
P.O. Box 635
San Juan Capistrano, CA 92675

Money Management Institute
Household Finance Corporation
Prudential Plaza
Chicago, IL 60601

Morrow, William, and Company, Inc.
105 Madison Avenue
New York, NY 10016

New American Library
Education Department
P.O. Box 999
120 Woodbine Street
Bergenfield, NJ 07621

New Jersey Vocational-Technical
Curriculum Laboratory
Rutgers University
4103 Kilmer Campus
New Brunswick, NJ 08903

Penney, J.C., Company, Inc.
Educational Relations
1301 Avenue of the Americas
New York, NY 10019

Praeger Publishers
383 Madison Avenue
New York, NY 10017

Prentice-Hall, Inc.
Englewood Cliffs, NJ 07632

Richards, Frank E., Publishing Co., Inc.
P.O. Box 66
Phoenix, NY 13135

Scholastic Magazines, Inc.
902 Sylvan Avenue
Englewood Cliffs, NJ 07632

Sears, Roebuck and Company
Consumer Information Services
Dept. 703 - Sears Tower
Chicago, IL 60684

South-Western Publishing Company
5101 Madison Road
Cincinnati, OH 45227

The Sperry and Hutchison Company
Consumer Affairs Distribution Center
2900 West Seminary Drive
Fort Worth, TX 76133

State Junior Bar of Texas
P.O. Box 12487
Austin, TX 78711

Texas Education Agency
Texas Association, Future
Homemakers of America
Homemaking Education
201 East 11th Street
Austin, TX 78701

3M Company
Visual Products Division
St. Paul, MN 55101

Tips and Topics
College of Home Economics
P.O. Box 4170
Texas Tech University
Lubbock, TX 79409

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U.S. Department of Health, Education,
and Welfare
Washington, DC 20201

U.S. Department of Housing and Urban
Development
Washington, DC 20410

U.S. Government Printing Office
Washington, DC 20402

Vocational Education Media Center
Clemson University
109 Freeman Hall
Clemson, SC 29631

What's New in Home Economics
134 North 13th Street
Philadelphia, PA 19107